CIAL TIMES

MONDAY NOVEMBER 6 1995

Start the week

Euro bourses London sharpens

its focus

Norma Cohen, Page 17

Media futures

Get me my cvberbroker

Tim Jackson, Page 13



Michael Prowse

Sympathy for US aid cuts

Peres to pursue peace process



وردو محجدر وو افر

Today's surveys Global custody

D8523A

Copenhagen

Andreotti charged in connection with iournalist's murder

Giulio Andrectti, seven times elected prime minister of Italy, was sent for trial charged with involvement in the 1979 murder of a Rome journalinvolvement in the 1979 murder of a Rome journalist. It was the first time in recent European history that a former prime minister had been directly linked to a murder charge. The decision by investigating magistrates followed two years of Investigations into the murder of Mino Pecorelli, editor of a scandal sheet. Two men have already been accused of carrying out the murder. Andreotti is already standing trial in Sicily, accused of being a political fixer for the Sicilian mafia. Page 18; Echoes persist from 'years of lead', Page 8

An \$18bn Pentagon order for 80 military transport aircraft has given McDonnell Douglas its second important boost in two weeks. It has also raised President Bill Clinton's standing in the state he must win if he is to be re-elected next year. Page 18; Orders clear the air for McDonnell Douglas, Page 6

Daiwa considers merger: Daiwa Bank, expelled last week from the US by financial regula-tors, is considering a merger which could create the largest bank in the world. Japan's Sumitomo Bank is understood to be the likeliest candidate. Page 19; Editorial Comment, Page 17

Battle for Kremlin intensifies: The power struggle at the Kremlin intensified when a row erupted between presidential aides and Russian prime minister Victor Chernomyrdin. Page 4

Talks aim for Slavonia settlement International envoys met local leaders from eastern Slavonia, the last Serb-held region of Croatia, to seek an agreement on the region's future which would remove a key obstacle to the achievement of overall settlement in former Yugoslavia. Page 4

US-Japan security alliance hit a setback over the weekend when the governor of Okinawa refused a central government request to extend leases for US bases on the southern Japanese island. Page 5 Kashmir leaders dismiss poll initiative:

Okinawa row hits US security links: The

Leaders of an umbrella organisation of political and militant groups in Kashmir have rejected Indian government plans to hold state assembly elections in the disputed region. Page 18; India enters traditional pre-election doldrums, Page 22

China rejects Hong Kong rights call: China has rejected a call from the United Nations Human Rights Commission for Beijing to file human rights reports about Hong Kong after the colony passes to Chinese sovereignty in 1997. Page 5

- X

- LDS:

Polish poli set for second round: The presidential election in Poland looked certain to go candidates able to win 50 per cent of the poll. President Lech Walesa is fighting for a second term against a strong challenge from Aleksander Kwasniewski, a youthful former communist. Page 4

Argentina cuts public pay: Argentina is likely to announce pay cuts for about 1m state employees today as it tries to bolster its public finances. Page 6

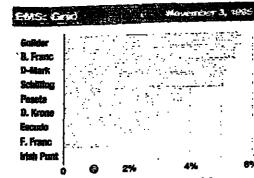
Spain to sell 25% Argentaria stake: The Spanish government said it would haive its 50 per cent stake in Argentaria, the third-biggest domestic bank in terms of assets. The disposal, likely to take place in the first quarter of next year, would raise Ptal35.7bn (\$1.1bn) at current market

Australian buy for Texas Utilities: Texas Utilities of the US is to buy Eastern Energy, one of the five electricity distributors being sold off by the state government of Victoria, for A\$2.1bn (US\$1.59bn). A capital payment of A\$2.08bn will be followed by franchise fees of A\$47m over the next three years.Page 20

Sun Alliance to acquire French insurer: UK-based composite insurer Sun Alliance is to expand its continental European telephone-based operations by acquiring a French direct motor insurer owned by holding group Suez. Page 20

Kodak steps up assault on Fuji: Eastman Kodak of the US stepped up its campaign for US trade action against anti-competitive measures allegedly used by Fuji of Japan to dominate its domestic market for photographic film. Page 6

European Monetary System: The spread between the strongest and weakest currencies in the EMS grid narrowed by more than one percentage point last week. The French franc rallied, despite a cut by the Bank of France in one of its key interest rates. There was no change to the order of the currencies. Currencies, Page 27; Debt talks to dominate markets, Page 22



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the curren-cies are permitted to fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guilder which move in a 2.25 per cent band.

Austria Schill Gr Beltrein Dirt 250 Hz Belgen 12:12:00 int Cyclia C21:10 int Cyclia	ang Nong, HOS20 Near signay P1215 Near de Re75 Non de Shi7,90 Om V LS000 Peld poer YS00 Pide poer P500 Poer poer P500 Poer poer P500 Poer poer P500 Poer poer P500 Poer	# MONTS EARBORS 9711 # 14.25 SingaporeS\$4.30 # 186/18.00 S. Africa R12.00 # 186/18.00 S. Afri

PABIN ASSASSINATION:

Pages 2 and 3

Mr Shimon Peres, acting prime minister of Israel, vowed yesterday to continue the peace process Penes sheeled to continu with the Arabs begun by Yitzhak Rabin, the 73-year-old leader the legacy of Rabin

Opposition rallies

behind acting PM

after Rabin murder

- sinated on Saturday.
- The opposition Likud party said it would support the forma-tion of a new government by Mr ■ Act spotlights growing culture of extren Peres, who was foreign minister E A cut to the heart in Mr Rabin's government.

 Mr Peres sought to bolster the standing of his transitional government by promoting Mr Ehnd of US toreign policy

Barak, former army chief of staff, from interior minister to the

defence portfolio which Mr Rabin

Mr Yigal Amir, the 27-year-old rightwing Jewish fanatic who shot Mr Rabin at a peace rally in

Tel Aviv and said he had "acted

on God's order", is to appear

before a court in the city this

morning.
The US and other western

states pledged continued support

for the peace process which they

said would be their testimony to

the murdered Nobel Peace Prize

and "martyr for peace".

had also held.

II Warrior who became a martyr for peace

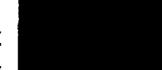
Editorial Comment

acclaimed overseas while causing bitter division at home.

The government declared a two-day official mourning period, and politicians from both sides paid warm tributes to the political veteran whose coffin, draped in the Star of David flag, was brought by generals from Tel Aviv to lie in state before the Knesset (parliament) in Jeru-

winner. World leaders gathered extremists refused to share the national grief and expressed satto attend today's funeral on a Jerusalem hilltop of a man they hailed as a "world statesman" isfaction that Mr Rabin was dead. In Israel, left and right united

Observers said that the assassination would have little in grief for the architect of a Midshort-term impact on the Israelidle East peace which was Palestinian peace process. But



Only a handful of rightwing

rival inside the Labour party, Mr Peres said: "We accompany a great friend, a great leader, a

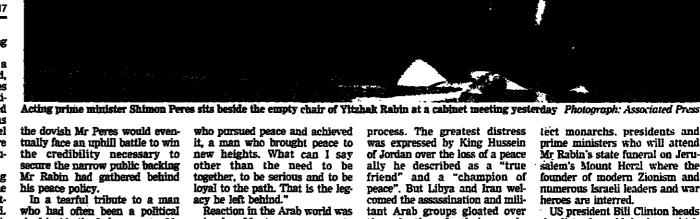
mixed. Most governments expressed regret at the assassination and concern about the great Jew, a great fighter, a man future of the Middle East peace

was expressed by King Hussein of Jordan over the loss of a peace ally he described as a "true friend" and a "champion of peace". But Libya and Iran welcomed the assassination and militant Arab groups gloated over the death of their arch-

A massive security operation

tect monarchs, presidents and prime ministers who will attend Mr Rabin's state funeral on Jerusalem's Mount Herzl where the founder of modern Zionism and numerous Israeli leaders and war

the list of world leaders which



Death opens 'deep wound in the nation's spirit'

The morning after the assassination

A usually noisy and bustling nation, subdued by grief and outrage, was in near silence. Clutches of Israelis gathered under the deep-blue autumnal sky, waiting for the motorcade carrying the body of their prime minister to climb the hills to Jerusalem.

"We're in shock and are scared of the future," said Amos, a clinical psychologist who parked his car on the highway to watch the slow procession pass. "We don't want civil war."

bours had hit home. An era was lost The Yom Kippur war a generation ago

had dented their aura of invincibility; the assassination shook them from their fiction of unity.

At the Knesset, the Israeli parlia-

ment, 200,000 mourners, sobbing quietly, passed the flag-draped coffin in the

A sign on top of the former general's coffin listed Mr Rabin's name and rank, the treatment accorded any fallen

mourners, 20 per cent of the population, before his funeral today.

"[The killing] is one of those terrible moments that open a deep wound in the spirit of a nation, kill its fragile and delicate fabric, leaving it hurt and confused," wrote a commentator in the daily Maariv newspaper.

Israelis who gathered at the Kings of

Israel square in Tel Aviv, where Mr Rabin was shot, lit candles in a vigil that started on Saturday night.

Banners with slogans supporting the peace process were laid in a corner, a sign proclaiming "Yes to Peace - No to

As youths passed out memorial can-dles, crews took down the stage on which Mr Rabin had spoken at Saturday's peace rally.

They had streamed to see him there, had shared with him his happiness as they enjoyed with him the prospect of peace, minutes before his murder. Yesterday newspapers were bordered in black; the radio played sombre music

and versions of the Song of Peace, the last song that he sang at the peace

"He became like a father figure to us.

Not our largest ever deal,

but not our least important.

Police were expecting up to 1m Violence" was still stretched across the We needed him. Now we feel like we

Broshi, 33, of Tel Aviv. "I never in a million years could have imagined that something like this could have happened in Israel," said Mr Sam Aloni, a recent immigrant from the US. who was waiting his turn to pass by the

"It was always a risk but we always thought that maybe it would be an act of terrorism from someone on the outside, not an Israeli, not a Jew on the inside," he said.

That is something I have still not been able to come to grips with."

Farmers face subsidy cuts in proposed CAP reforms

By Caroline Southey in Brussels

A new round of reforms of the European Union's Common Agri-cultural Policy, including further cuts in price support for farmers, will be proposed by Mr Franz Fischler, EU agriculture commis-sioner, by the end of the month. The changes, coming on top of sweeping reforms in the CAP pushed through by the European Commission in 1992, seem certain to run into fierce hostility from the EU's powerful farm lobbies.

The changes will focus on shifting support further away from farm production towards rural communities. "Mr Fischler's aim is to get away from supporting products to supporting people,' an agricultural official said.

The reforms are being put for-ward in time for the EU summit meeting in Madrid in early December, as part of the commission's plans to prepare the EU for the next round of enlargement, likely to include the new democracies of central and eastern

There are fears that widespread protests against CAP reform could spill over into opposition to the whole enlargement process if it means sharp cuts in benefits available under the pres-

However, Mr Fischler also believes that changes to the CAP policy by shifting farm support are unavoidable by the turn of away from high guaranteed

the century when a new world trade round will impose further curbs on subsidised production.

The commissioner's initiative is being tempered by the fact that he will almost certainly face tough opposition from all but two member states - Britain and Sweden - when the proposals for reform come before agriculture ministers. It is not yet clear how

Two of the UK's most influential business organisations today publish a survey showing grow-ing frustration with the tone of British political debate about the

European Union.
The largest-ever survey of UK. business opinion on Europe, published by the Confederation of British Industry and the British Chambers of Commerce, confirms overwhelming support for EU membership. Details, Page 7

radical his package will be. The overall cost of the future CAP is unlikely to be any less than the present Ecu40bn (\$51.7bn) farm budget, and the reforms are intended to come into effect over an extended period of five to 10 years, agriculture officials say.

Mr Pischler will present the

changes as extensions of the far-reaching reforms negotiated under Mr Ray MacSharry in 1992. These broke with traditional CAP

prices towards direct income The central plank to the new reforms would be to extend this

policy shift by reducing further the level of price support. Tied to this, an alternative policy would be drawn up to provide financial support for

Although the policy would lead to some reduction in the Ecul5hn currently spent on price support payments. Mr Fischler is not expected to propose an overall reduction in the farm budget, which accounts for half of the

EU's total spending.
Instead the savings would be re-allocated to finance in part a "development strategy" which would extend beyond agriculture and include sectors such as forestry, craft industries,

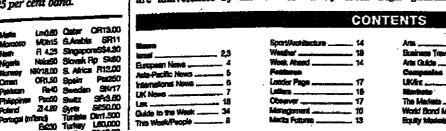
merce and industry. Mr Fischler has not spelt out what additional sources of funds might be used to finance any new

But he has suggested that member states would need to finance a greater proportion of the costs and that taxpayers, rather than consumers, should carry the financial burden of supporting rural communities. Mr Pischler is expected to

suggest that the reforms should be phased in gradually, starting just before the turn of the

Managed Funds 28,29

The management buyout of completed on 31st October 1995 Arranged, structured and led by CINVen directors Equity provided by **CINVen directors** Debt provided by Bank of Scotland CINVen / INDEPENDENT / VISION **NEVER NEGATIVE** CINVen Lid is regulated by IMPO in the conduct of investment Bur



Global Custody LONDON · LEEDS · PARES · FRANKFURT · STOCKHOLM · NEW YORK · LOS ANGELES · TOKYO

O THE FINANCIAL TIMES LIMITED 1995 No 32,825 Week No 45

July 1: Arefat returns to

as head of the Palestinian

autonomous Gaza; takes over

Oct 19: Hamas bomber kills

himself and 22 others in bomb

Oct 26: Israel and Jordan sion

most of West Bank. Nov 2: israel hands police stati

PLO will take control in six West

Bank cities and parts of Hebron.

and israel will transfer civilian

authority in some 450 towns, villages and refugee camps. How 4: Rabin assassinated.

in West Bank town of Jenin over to PLO as part of gradual pullout.

1995-Jan 22: Two

istamic Jihad

suicide bombers kill 21 israells at a

bus stop in central

Sept 28: Israel and the PLO sign

agreement extending Palestinian rule to

peace treaty in border

Peres steeled to continue the legacy of Rabin

1991: Middle East peace

conference opens in Madrid

between Israel, Palestinians, Jordan, Lebanon and Syns.

1993-Sept 13: Israel and PLO sign "Declaration of Principles" outlining plan for Palestinian self-

and Rabin shake hands at White

By Julian Ozanne in Jerusalem

For three years Yitzhak Rabin tortuously held together a fragile coalition inside his Labour party, parliament and the country in favour of making peace with the Arabs. His assassination has thrown the country and the peace process into confusion and raises doubts on the stability of the

political house Mr Rabin built. In a country with a strong religious and cultural prohibition against shedding Jewish blood, deep-rooted fears of Jewish civil war, and a long-held belief that political ass tions were things that took place in other nations, the ense of shock and uncertainty has been profound.

In the short-term Israelis, outraged by the culture of rightwing verbal violence in which the assassination was nurtured, will rally to the Labour-led government and to the image of Mr Rabin as a martyr for peace. But it is by no means certain that in the longer term the dovish Mr Shimon Peres, now acting prime minister, can hold together the sensitive political alliances and public support that Rabin as a highly respected former army

chief of staff commanded. Mr Peres will have to fight hard to win support both from his Labour party colleagues and from the two maverick centre-right ministers who have twice in the past three months prevented the coalition from falling. His much more formidable battle will be to convince the scentical Israeli public that he is man they can trust in a nervous atmosphere where the political touchstone is security. If he fails, the way

rightwing challenge to peace. If he succeeds, he could emerge with a more solid political consensus for speeding the peace process as a fitting legacy to one of Israel's greatest men.

Mr Peres' short-term prospects are favourable. The near universal condemnation of the recent culture of verbal political violence which saw protesters chanting slogans calling Rabin and Peres "traitor" and "murderer" and carrying effigies of Mr Rabin dressed in a Nazi uniform or Arab headdress should now marginalise cians, rabbis and Jewish settlers. It will also harm the mainstream rightwing political parties, which often recently appeared dangerously associ ated with the extremists. And it will rally the nation behind

the government.
"The paradox of the assassination is that, by killing Rabin and trying to stop the peace process, the killer might have achieved the opposite," said Mr Danny Ben-Simon, a political columnist with the pro-Labour Davar newspaper. No politi-cian will now dare play in the same playground of rightwing verbal and political recrimination which Rabin and Peres had to suffer for so long.'

Already yesterday it appeared Mr Peres' bid for sta-bility and continuity of policy would receive broad rightwing backing, at least in the short term. Mr Benjamin Netanyahu, leader of the rightwing Likud party, which opposes the peace process, said: "Fraternal infighting and civil war is something which is more dangerous to us than any external threat." His party would not oppose the formation of a new Labour-led coalition, he said. And the Yesha council, which broadly represents the 130,000 Many deaths on path to peace

1948: British mandate in Palestine ends, Jews proclaim state of Israel, Arab armies invade. Palestinian refugee problem is

1967: Israel captures Golan Heights, Sinal Peninsula, Gaza, West Bank and East Jerusalem from Syria, Egypt and Jordan. 1973: Egypt and Syrta attack Israel.

Disengagement brings minor border changes. 1977: Egyptian President Anwar Sedat visits israel to seek 1979: Egypt and

Israel sign peace treaty under which resery under vision in the strain returns Sinal but plan for Palestinian autonomy is never implemented.

1981: Sadat assassinated by Islamic fundamentalists.

1987: Palestinian uprising erupts in Gaza retupe camp and spreads to West Bank. Over the years some 2,000 Palestinians and

hundreds of Israelis are killed.

Jewish settlers and has spear-

beaded protests against the

peace process, described Mr

Rabin as an "Israeli patriot"

and said it would suspend dem-

onstrations in a week-long

Inside the Labour party and

parliament Mr Peres, renowned as a consummate

machine politician and diplo-

mat, is also likely to be able to

forge skilfully a solid coalition

for pressing ahead with peace

the internal political puzzle

together and he will be helped

by a massive outpouring of

national sympathy and unity,'

said Mr Ben-Simon. "But will

he have the standing and

credibility domestically that Rabin had to take the big deci-

"Peres is a master at putting

in the coming months.

nourning period.

1994-Feb 25: Jewish settler kills 29 Arab worshippers in a mosque in Hebron in the West Bank. May 4: PLO and Israel sign accord in Calro, giving Palestinians seti-rule in the West Bank enclave of Jericho and the Gaza Strip but allowing Israell-guerded Jewish ints to stay.

sions in the peace process?"
Winning that standing will not be easy. In 1992 Labour chose Mr Rabin over the more internally popular Mr Peres as its leader precisely because they believed only someone with Mr Rabin's distinguished military past could secure victory on a pro-peace platform in a country perilously divided on whether it should take the

risks of making peace. But despite his stature Mr Rabin still found it difficult to win broad backing for peace in the nation. Recent opinion polls showed he was neck-andneck with Mr Netanyahu with 42 per cent of the vote each. Mr Peres, by contrast, has always been seen in Israel as

an arch political insider and

ahead of what Israelis were

for the 72-year-old Mr Peres to capture the 20 per cent or so of volatile voters who float between the right and the left the very constituency which brought Mr Rabin to power in 1992. Without the political centre Mr Peres will find it hard to pursue more difficult decisions inherent in the peace process.

shock at

murder

in New York, Michael

inker in London

and David Buchan in Paris

A year ago, demonstrators in

New York carried placards

reading "Rabin is a traitor".

The placards were vivid evi-

dence of the divisions among

dered by a fellow Jew.

a handful of people placing

candles at an impromptu

memorial to Mr Rabin set up

outside the Israeli consulate on

New York's Second Avenue.

said: "It is like one family

member killing another."

Ms Goldstein said opposition

to the peace process had at

times seemed stronger in New

York than in Israel itself, but

US opponents of Mr Rabin

strongly condemned his assas-

sination. Rabbi Avi Weiss,

head of the rightwing Coalition

party machine. Although he has held virtually every political office in the past 50 years Mr Peres was never a military man. His more dovish views about peace with Arabs and building a new Middle East and his much warmer public relations with Mr Yassir Arafat, the Palestinian leader, have often seemed to be way

prepared to accept.

It will be much more difficult

Even if he can hold together a coalition until elections next November, he may face a challenge for the party leadership by younger men such as Mr Haim Ramon, former health minister and reformer of the trade union movement, who more accurately reflect the political centre.
Inside the Labour party Mr

Peres will also face a real challenge in winning over the hard-line party rebels led by Mr Avigdor Kahalani, a former general, opposed to further territorial compromise with Arabs. Twice recently Mr Kahalani and another Labour MP voted against the govern-ment, making the coalition's narrow 61:59 vote survival dependent on Arabs and support of two maverick rightwingers who joined the government as ministers but who have deep reservations about

the peace process. Israel's generals, who have often in the past two years proved themselves to have a owerful restraining influence on the pace and depth of the peace process, will also be less trusting of Mr Peres. However, Mr Peres' promotion of Mr Ehud Barak, a former chief of staff and supporter of the peace process, from interior to defence minister yesterday will go some way to calming the

army's worst fears. Many of these problems Mr Peres will have to face will be delayed until the enormous explosion of grief and outrage over Mr Rabin's assassination has died down. And in the short term they are unlikely to have an impact on the peace process, which is locked into an agreed framework and timetable which would be extremely difficult for Israel to break. The latest agreement, tember, calls for redeployment of Israeli troops from Palestinian population centres in the West bank ahead of Palestinian elections to be held on January

For his part Mr Peres has been quick to portray himself as merely following in the foot-steps of Mr Rabin. "What can I say other than the need to be together, to be serious and to loyal to the path (of peace). That is the thing he left behind," he said yesterday.

But complex talks lie ahead next year on the most thorny issues of Arab-Israeli peace, including the future status of Jerusalem, the right of return of Palestinian refugees and whether Palestinians will be allowed to have an independent state. There is, as yet, no Israeli majority for concessions on any of these issues, nor for an Israeli withdrawal from the occupied Golan Heights as the price to be paid for peace with Syria and Lebanon.

Building nationwide support for further peace with Arabs will be Mr Peres' greatest challenge in the long term. For the moment he can count on the widespread destre for national unity expressed across the political spectrum.

His ability to turn that sense of national shock into a driving force behind peace will determine the extent of how far he can push ahead with the peace process.

Mr Peres has often said that if he had to choose between winning the elections or win-ning the peace he would choose the latter over the former. But he knows that the future of the peace he has been instrumental in building depends on winning public support and a Labour victory Israel after Rabin, Leader Page

A cut to the heart foreign

The assassination of Mr Yitzhak Rabin cut to the heart of US foreign policy makers past and present and prompted an inevitable flurry of speculation about whether the Middle East peace process could prosper without him.

President Bill Clinton was close to tears in a brief public tribute on Saturday. Yesterday he signed the book of condo-lence at the Israeli embassy before flying off to Jerusalem at the head of a large US delegation that included former Presidents George Bush and Jimmy Carter and leaders of both parties in Congress.

Mr Clinton, who will see Mr Rabin's widow before the funeral and address the Knesset after it, is expected to urge Israelis not to depart from the peace process. Mr Warren Christopher, who has made more than a dozen negotiating trips to Israel as secretary of state and was reported to be personally devastated, pledged renewed US commitment to continue Mr Rabin's work.

Dr Henry Kissinger, who invented "shuttle diplomacy" in the Middle Bast in the Nixon and Ford administrations, broke down in a TV interview yesterday in talking about a 30-year friendship. It was, he said, "a shocking event" that Mr Rabin had been killed by an Israeli. "I don't know any Jewish person who would have thought it possible. It shows the extent to which unreasoned passions have taken hold."

Congressman Newt Gingrich, the Speaker and a member of the US delegation, also wept on hearing the news because of the "hatred" it manifested. "It is important to understand," he said in Geor-gia, "that he was killed by a young man who hates the peace process because he

thinks it will end Israel." Administration officials were reluctant to speculate on the consequences of Mr Rabin's death on the peace process and on Israeli politics. other than to express private relief that the assassin was not

an Arab or Palestinian. But three former Republican secretaries of state, Dr Kissinger, Mr Laurence Eagleburger and Mr James Baker all expressed various concerns. Dr Kissinger said Mr Rabin and Mr Shimon Peres, now acting prime minister, had made a great team because Mr Peres had "visions" and Mr Rabin "strategy," though they had arrived at their conclusions

"by different roads." Mr Eagleburger voiced a similar view in saving that Mr Peres had to get "realism into his idealism". He thought Israel would "come together" in the wake of the assassination but that deep internal

divisions "may be sublimated only for a while." Mr Baker was concerned that negotiations with Syria "may be more deadlocked because there will now have to be early elections in Israel." He was confident that Mr Peres would fulfil Mr Rabin's "legacy" but agreed that he probably did not have Mr

> strength in Israel. In fact the Israeli nolitician most interviewed on US television in the last 24 hours was Mr Benjamin Netanyahu, leader of the opposition Likud party and sharp critic of the peace process. His condemna tion of the assassination was absolute and he denied his rhetoric had contributed to what Mr Baker called "the decline in civil discourse" in

Rabin's unique political

Responsible Publisher: Hugh Carnegy 408 618 6088. Printer: AB Kvällstudningen Expensen, PO Box 6007, S-550 Ge, Jon-

Commendation of the Commendation of the Financial Times Limited 1995.

Editor: Richard Lambers, of The Financial Times Limited. Number One Southwark Bridge. London SEI 9HL.

Mixed reaction from Arab world to express

By Roula Khalaf in London and James Whittington in Cairo

The Arab world reacted vesterday to the assassination of Prime Minister Yitzhak Rabin with a mixture of shock, sadness and, at times, rejoic-

Some Arab commentators said many Arabs would draw similarities between Mr Rabin's assassination and that of the late Egyptian President Anwar Sadat, gunned down by an Islamic extremist in October 1981. Both had a military background, had fought wars in the Middle East and had been killed after making peace. But while highlighting that extremists can still strike at peacemakers, analysts said the Arab world would be looking for this killing to consolidate Middle East peace, as occurred after Mr Sadat's assassination. The reaction of the Palestin-

ian, Jordanian and Egyptian leaderships clearly shows how close an ally Mr Rabin had become to some Arabs. A visibly shaken Mr Yassir Arafat, chairman of the PLO, once considered by Mr Rabin as a terrorist, said he was "very sad and shocked for this awful and terrible crime against one of the brave leaders of Israel and the peacemakers."

But so as not to ignite further Israeli rightwing sensitivi-ties, PLO officials said Mr Arafat would not attend Mr Rabin's funeral today.

King Hussein of Jordan, who will attend the funeral, said he was outraged by the killing. "I personally have lost a true friend . and our world has lost a true champion of peace," he said. The Egyptian government called the killing an act of terrorism and said Egyptian President Hosni Muharak, who has not been in Israel since becoming president in 1981. would also attend Mr Rabin's funeral in Jerusalem.

In Syria, where peace talks with Israel have been stalled and verbal attacks on Mr Rabin have been frequent in recent months, the official

FT CITYLINE

FT-SE News

Update

0891 43 00 01

Six times a day our London Stock Market

Report evaluates the news from the

London Stock Market. The three-minute

telephone bulletin includes the latest UK

economic data, a round-up of market

trends and trading levels, and important

company news - and is updated

The London Stock Market report is

updated at 07:30, 08:45, 10:15, 12:15,

14:15 and 16:45 (London time) - the

latest report can be reached by dialling

● For a detailed briefing on Major Currencies, call

Calls are charged at 39phnin cheap rate and 49phnin at all other times.

For details of Cityline International services to customers outside the UK,

FINANCIAL TIMES

the Currency Update on 0891 43 00 03.

throughout the working day.

0891 43 00 01 at any time.

media reported the assassination without comment. Analysts said this was to be expected as Syria has no relations with Israel and was expecting no significant breakthrough on the peace front before Israeli elections next year.

Saudi Arabia, the heavyweight among oil-rich Gulf states, also made no official comment. But after a meeting in Oman, foreign ministers from the Gulf Co-operation Council, which includes Saudi Arabia, the United Arab Emirates, Kuwait, Oatar, Oman and Bahrain, said they regretted the assassination but were confident the peace process would continue.

The cheering of other Arab

states and of Islamists across

the Arab and Moslem worlds shows how much more work lies ahead for Arab and Israeli leaders. Libya welcomed the assassination and in Lebanon, a rally by pro-Iranian Hizbollah to mourn Palestinian Islamic Jihad leader Fathi Shoaqi, assassinated in Malta

last month, turned into a celebration of Mr Rabin's death. For some Arabs, the fact that Mr Rabin's killer was an Israeli and not an Arab came as a relief. "This is proof that the Jews, who have killed many Moslems and Arabs in cold blood, are prepared to kill even their own to stop peace," an Islamist member of Kuwait's

parliament said yesterday. Arab analysts expressed regret yesterday that the mainstream Arab leadership had not taken this opportunity to point out more forcefully that extremists existed on both

At the same time, however, analysts said Israel's neighbours are likely to see the assassination as a way to move the peace process forward, rather than derail it. Mr Samir Atallah, a commentator on Arab affairs, said acting prime minister Shimon Peres enjoyed warmer relations with Arab leaders and was viewed by most Arabs as an even greater enthusiast for peace.

Gaza stands by peace process

By James Harding in Gaza City Islamic Jihad mover

anthorities Palectinian yesterday said they did not expect Mr Yitzhak Rabin's assassination to impede the peace process and did not accept that it should.

Officials in Gaza reminded their negotiating partners in Jerusalem that "we have an agreement with the Israeli government, not just Mr Although aides to Mr Yassin

Arafat, the Palestinian leader, said they were "very con-cerned about the possibility of a delay", they expected the withdrawal of Israeli forces from Palestinian population centres in the West Bank to continue as planned.

Such was the sense of busi-ness as usual that, no sooner had Mr Arafat given an emotional appreciation of "the great Israeli leader and architect of peace", than officials were explaining the "delicate domestic political reasons" why the PLO chairman would not be attending Mr Rabin's

No mention was made of Israeli concerns about Mr Arafat incensing rightwing groups in Israel. Aides suggested that to "return" to Jerusalem to bury an Israeli prime minister rather than "to reclaim the city would be a political decin with damaging domestic

consequences". As expected, the radical Islamic and secular Palestinian groups opposed to making peace with Israel delighted in the death of Mr Rabin. They had accused him of giving the green light for last week's assassination in Malta of Mr Fathi Shqaqi, the leader of the

spokesman in Gaza. However, such bitterness

militant Palestinians were not involved contributed to a subdued atmosphere in Gaza city. "If Islamic Jihad had killed Rabin, then the Israelis would have driven out the Palestinian government, we would have returned to the Gaza of the intifada (Palestinian uprising) and all prospects of peace would have been killed," said Mr Nabil Otmani, an unemon construction sites in Israel. The realisation that intra-Jewish violence had killed Mr Rabin and brought in Mr Shimon Peres, the foreign minis-

ter, who commands, if anything, more good feeling in Gaza than the assassinated premier, left many Palestinians nonplussed by the killing.

Mr Mazan Hellis, a young businessman, described the mood: "No one is actually sad. because he was always the enemy. But you have to respect a man who served his country as a soldier and then as a politician who turned to peace." Most people seemed to welcome the prospect of a Peres government, One PLO official conceded that "at the moment, a Peres administration would probably be good

That was particularly true for businessmen more concerned by the decline in the local economy than the slow progress in the peace talks.

"What happened to Rabin is the result of the constant provocations by Israeli occupation to practise violence against the Palestinian people," said Mr Mahmoud Zohar, Hamas

was unusual. The relief that

for the Palestinians".

for Jewish Concerns, said it was "a day of grave mourning for the people of Israel". In the UK, Rabbi Jonathan Sacks, the chief rabbi, said those who had used violent language in condemnation of Mr Rabin had to bear some responsibility for the assassi-

He told BBC Radio Four. "I have felt that the language in which these protests against Yitzhak Rabin were conducted exceeded all bounds and was very dangerous. People were calling him a traitor and so on and when you begin to escalate the verbal violence you run a great risk of actual physical violence." Rabbi Sacks said he did not believe the assassination would result in civil war in Israel. "I would think that the death of Yitzhak Rahin will send shock waves through the Israeli nation and take people well away from that brink in the future.

Mr Eldred Tabachnik, president of the Board of Deputies of British Jews, said the mur-der had united the UK's Jewish community. "In his name and in his memory we must seek to reconcile differences and search out ways towards a comprehensive peace settle-

Demonstrations of sympathy were held yesterday outside the Israeli embassy in Paris and also in Lyons, where UEJF, the French Jewish Students Union, was holding its annual congress this weekend. A UEJF spokesman said: "The crime underscores again the implicit coalition between Jewish extremists and Palestinians opposed to the peace process and to the democratic principles of the state of Israel."

Jews unite Act spotlights growing culture of extremism

By Avi Machas and Julian Ozanne in Jerusalem

Few Israelis were surprised to discover that Yigal Amir, the 25-year-old law student who assassinated Israeli prime minister Yitzhak Rahin, told interrogators that he "acted on God's orders."

Mr Amir's action is the prodthe Jewish community in the US over the Middle East peace uct of a growing culture of intolerance and religious At the weekend, Jews in the extremism among fundamentalists opposed to the surren-US and elsewhere put aside der of any part of the Biblical their differences to mourn Mr land of Israel, as the Arab-Yitzhak Rabin and express their shock that he was mur-Israeli peace process unfolds and Israel withdraws from Ms Barbara Goldstein, one of

occupied land. Mr Amir was described by fellow students vesterday at Bar-Ilan university, a hotbed of rightwing student politics, as a lone wolf" given to outbursts

of invective. Rightwing political parties and activist groups tried to dis-tance themselves from his

In his confession to police Mr Amir made it clear his act was carefully premeditated. He is typical of a growing group of religious Jews who see their religion and culture as threatened both by the peace process, and by Israel's attempt to become a more

westernised "normal" nation. The debate is between those who want to normalise the Jew and make him like the other nations, and those who think the Jew has to be a separate entity and that the Bible is the covenant of the Jewish people," said Mr Danny Ben-Simon, a political commentator

for the Davar newspaper. Opposition to the peace accords with the Palestine Liberation Organisation has raised tension to an unprece-

Street protests have been an almost daily event in Israel since Mr Rabin shook the hand of PLO chairman Yassir Arafat in Washington in Sentember 1993, and chants such as "death to Rabin" or "Rabin is a murderer and traitor" have erown louder.

Posters in which Mr Rabin was depicted wearing an Arab keffiyah or dressed in Nazi uniform became commonplace at Some observers believe that

this sort of propaganda paved the way for the assassination. "A poster of Rabin as a Nazi is telling people that he is fair game." said Mr Ehud Sprinzak, professor of political science at Hebrew University. The religious right in Israel

has spawned numerous small but visible militant groups, who back hatred of Arabs and the Israeli left with Biblical quotations, and blessings from some of Israel's most outspoken rabbis.

While they have always been a minority, they have grown in stature and presence in recent months - receiving tacit support from the more mainstream rightwing political parties and active support from a handful of rabbis and activists with a long history of religious extremism.

Mr Amir claims to have acted alone, although he was apparently affiliated with Eval. the "Fighting Jewish Organisation," a fringe group based on the campus of Tel Aviv's Bar-

Han University. A number of groups such as Eyal continue the violent legacy left behind by Kach, an militantly anti-Arab organisation that attained a seat in Israel's parliament in 1984. Kach's leader Rabbi Meir

Kahane occupied that seat until his party was barred, on the grounds that it was racist, from the next Knesset election in 1988. Mr Kahane himself was gunned down in New York in 1990, and his organisation splintered.

But the American-born Kahane, who regularly referred to Arabs as "dogs" and called for expulsion of all Arabs from Israel and the occupied territories, has left his mark on

Followers of the racist rabbi returned to the public eye after Baruch Goldstein, a Kahane supporter, coldly opened fire on Palestinians worshipping in a mosque in the West Bank town of Hebron in February 1994, massacring 29 of them. The shooting was denounced

by most Israeli political leaders and many rabbis, but some rabbis justified the massacre. keeping the flame of Israeli Jewish racism alive. Kahane splinter groups were banned and forced underground following the incident.

Mainstream Israeli settler groups ambiguously distanced elves from the massacre. but they firmly oppose the neace process. New movements have appeared, notably Zu Artzenu ("this is our land") which quickly grabbed headlines by staging a series of demonstrations with eye-catching media gimmicks.

Hard-line groups have provided a convenient source of support for Likud, a mainstream secular party. But the assassination of Mr Rabin could trigger a backlash against Israel's right wing: it could marginalise the extremists, and drive a wedge between them and the main-

stream right. "The failure of many of those organisations to kick out extremists will hurt them now." said Mr Sprinzak. In the wake of the assassing.

tion and the outpouring of Jewish revulsion that followed mainstream settlers and rightwing parties are likely to realise the need to rethink their relationship with the fringes or be relegated to the fringes ISTREL.

THE FINANCIAL TIMES
Published by The Financial Tames (Europe)
GmbH, Nibelungeuplat 3, 60318 Frankfurt am Main, Germany, Telephone +44
69 156 350, Fax +49 69 596 4881, Telex
416193. Represented in Funkfurt by J.
Walter Brand, Wilhelm J. Brüssel, Colin A.
Kennard as Goschäftsführer and in London by David C.M. Bell, Chairman, and
Alan C. Miller, Departy Chairman, Shareholders of the Financial Times (Europe)
Ltd., London and P.T. (Germany Advertising) Ltd., London. Shareholder of the
above memboned two companies is: The
Firinancial Times Limited, Number One
Southwark Bridge, London SEI 9HL,
GERMANY;
Responsible for Advertising, Colin A. Kennard, Printer: DVM Druck-Vertreb und
Marketing GmbH, Admiral-RosendahlStrasse is. 63233 New-Isenburg towned by
Hürryet International). ISSN 0174-7363.
Responsible Editor, Richard Lambert, coThe Financial Times Limited, Number One
Southwark Bridge, London SEI 9HL.
FRANCE;
Publishing Director: D. Good, 165 Rue de
Rivoll, F-75044 Para Cedex DI. Teknburg de

FRANCE Publishing Director: D. Good, 168 Rue de Rivoll, F-75044 Paris Cedex Dl. Telephone (01) 4297 0621. Fax (01) 4297 0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Routsais Cedex I. Editor. Richard Lambert. ISSN 1148-2753 Cumitation Distriction Actions 5-650817.

t was a mark of how far Yitzhak Rabin had come in his long military and political career that one of the bullets that killed him on Saturday showered blood over the

cut to

score of A Song of Peace in his breast pocket. He had sung the song just minutes before he died at a

peace rally in Tel Aviv.

Mr Rabin, the former war hero and army chief of staff who served twice as prime minister, was a central figure in the history of the state of Israel. He played an active part in its creation in 1948 as 26year-old commander of the Jewish brigade defending Jeru-salem, and fought in most of Israel's subsequent wars with its Arab neighbours, ending as army commander and chief strategist in the 1967 Six Day

War.
At the height of the Cold
War he did more than any
other Israeli to forge close
links with the US and he played a critical role in the 1970s and 1980s in Israel's battle against Arab guerrillas and

terrorists abroad and at home. Yet at the end of his life he was firmly, if always cau-tiously, committed to securing peace with his former foes - a role which won him the Nobel peace prize in 1994. He is survived by his wife Leah, a son

and a daughter.
"I believe there is now a chance for peace, a great chance, and we must take advantage of it for those standing here, and for those that are not here," he told up to 100,000 supporters at the peace rally minutes before his death.

"I have always believed that the majority of people want peace and are ready to take a

chance for peace."
Mr Rabin was the first Israeli leader to take that chance with the Palestinians, and that is unquestionably his main political legacy. But it was not easy

The decisive moment came on the White House lawn in Washington in September 1993 when he hesitantly shook the hand of Mr Yassir Arafat, his arch-enemy for more than a

quarter of a century. The Israeli prime minister later solemnly described bow difficult it had been for him, as a soldier and veteran of wars against the Arabs, to shake the hand of a man he said was soaked with the blood of Jews. But that handshake marked the real beginning of the end of. the conflict between Israelis which had sparked four Arab-Israeli wars and caused the loss of tens of thousands of

The discomfort of the soldierturned-peacemaker was deeply felt. It also reflected the wider uncertainty in the Israeli nation which Mr Rabin always seemed himself to mirror so closely. "Peace you don't make with friends, but with enemies," he said.

Unquestionably, the peace agreement with Palestinians what he described as a "calculated risk" - marked a very personal commitment for Mr

As chief of staff in 1967, he had led Israel to lightning vic-tory over its Arab foes. But that victory left Israel occupying the West Bank, Gaza Strip, Golan Heights and Sinai desert, ruling almost 2m Palestinians, and surrounded by ene-

Mr Rabin always felt a responsibility to resolve the problems he had helped to create. Although he was quick to stamp on Palestinian discontent, he always felt uneasy governing another people, and he wanted to ensure future generations would not have to suffer the pain of war.

Intellectually he felt Israel could never be the democratic Jewish state he believed in while it continued to rule another people by force and deny them their rights to free dom of expression and develop ment. He also felt that after the Cold War, and with the West pursuing a policy of "dual containment" of Iran and iraq, israel had to seize the opportunity to reach peace agreements with enfeebled Arab partners before Islamic fundamentalism and terrorism - what he called "Khomeiniism without Khomeini" sprouted deeper roots.

He never shared the Jewish mystical attachment to the biblical land of Israel, which includes the West Bank and Gaza Strip, and he saw the territories as cards in his negotiating hand. But his vision of peace in no way compromised his absolute commitment to Jewish security, always his

overriding preoccupation. While other Israeli politiclans such as Mr Shimon Peres had forged the delicate Israeli-Palestinian peace accords, nobody was better placed than Mr Rabin to take Israel down

the uncertain path of peace. Although he had none of the charisma or flamboyance of Pother Israeli leaders, he was widely seen as a hard-headed pragmatist and military man

1 - Lea y Light of the who could be trusted with the security of the Jewish nation. But he also proved the focus for anger among rightwing fanatics who labelled him a traitor, and who finally took

As early as 1976, in his first term as prime minister, Mr Rabin went to Casablanca disguised in a wig and dark glasses for secret talks with King Hassan. Seventeen years later, on his way home from the White House signing ceremony, Mr Rabin flew openly to Casablanca to tell the Moroc-can King the search for a peace formula had finally begun in

Without the election of the Labour party in 1992 the quest for Middle East peace might have been pursued with much less vigour and success. Mr Rabin's return to the premiership was a turning point after years of rightwing Likud and national unity governments.
His victory committed the government to seeking a just and comprehensive peace and freezing Israeli settlements in occupied Arab lands, paving the way for an improvement in relations with the US - a move critical to achieving peace.

Since then, the process has been slow and tortuous, mirroring Mr Rabin's equivocal attitude. And he was far from winning universal praise. Pal-estinian and Israeli critics accused the prime minister of adopting a grudging approach to the Palestinians, and shying away from difficult questions such as the evacuation of Jewish settlers from Arab land. But he always felt he could not go faster than Israeli public opinion was prepared to

is life mirrored Israel's history and he was deeply involved at some level in all of Israel's national events from the 1948 war of independence.

He was born in 1922 in Jerusalem to Russian Zionist socialist parents who had immi-grated to British-mandated Palestine. As a shy and quiet teenager he wanted to become a farmer - to pursue the Zion-ist goals of building the land of Israel. But in 1941 he was drafted into the Palmach, a crack force of disciplined commandos which later became part of the guerrilla war against the British. He was detained and imprisoned for six months - an experience which helped cement his dis-

in the 1948 Israeli war of independence Mr Rabin fought with the Palmach on the Jerusalem and Egyptian fronts and later took part in the 1949 Rhodes peace talks. He spent the next 14 years working his way up in the senior command of the Israel Defence Force until his appointment as chief of staff in 1963.

Although he suffered a short sychological breakdown on the eve of the 1967 Six Day War, he was widely credited with Israel's extraordinary victory against Syria, Jordan and Egypt, despite overwhelming odds. Israelis gave Mr Rabin much of the credit for the vicwhich included the capture of the old city of Jerusa-lem. For the first time in almost 2,000 years, Jews could pray at the western wall of the Second Temple, Although Mr Moshe Dayan was feted internationally, Israelis named Mr Rabin Man of the Year for 1967 with 42 per cent over Mr Dayan's 24 per cent.

Mr Robert Slater, his biographer, says his involvement in the Six Day War established his credentials for national office and "became (his) calling card for political leadership". After he left the army he

became ambassador to the US. despite his loathing of diplomacy and his mept English. He rubbed shoulders with Mr Kissinger and developed a lifelong respect for America and a knowledge of how to lobby for Israel on Capitol Hill.

In Washington he played a critical part in convincing the US to deliver massive arms shipments to Israel. He was described by Newsweek in December 1972 as "one of the two most effective envoys in although Washington," another newspaper said no other diplomat had been attacked "so often for displaying such a noticeable lack of

diplomacy."
Mr Rabin was in the middle of his bid for parliamentary election when the 1973 You Kippur war broke out and he played little role in what became a humiliating event for Israel Public anger with the complacency of Mrs Golda Meir's Labour Party grew after the December elections which sent Mr Rabin to parliament. He replaced Mrs Meir as premier, becoming the first

native-born premier His period in office from 1974 to 1977 was marked by peace efforts following the 1973 Arab-Israeli war, by the daring raid on Entebbe in Uganda to resYitzhak Rabin: soldier to peacemaker



Rabin the soldier in the 1948 war that created the state of Israel wing and the passing a secret visit to viorocco, 1976 A hero's welcome for Ra

in Jerusalem, at the end of the Six Day War, 1967

Air France flight, hijacked wife had maintained two small by Palestinian guerrillas; the oil crisis; Mr Kissinger's Mid-dle East shuttle diplomacy and bank accounts in the US, then illegal under Israeli law. His resignation cleared the way for the eruption of the Lebanese Mr Shimon Peres to stand as Labour candidate for prime minister. He was defeated by civil war. In 1977, Mr Rabin look set for re-election but was forced to

the rightwing Likud party under Mr Menachem Begin after 29 years in opposition.

Mr Rabin spent the next few years as a backbencher and was resoundingly defeated for the 1980 Labour party leader-ship contest by Mr Peres. He returned to a national unity cabinet as defence minister in 1984 under Mr Peres as prime minister. Mr Rabin focused his efforts over the next four years

completing withdrawal of Israeli forces from Lebanon and dealing with the 1987 breakout of the intifada, or Palestinian uprising. He responded with an iron fist policy, vowing to fight with "might, power and beatings". But he also pushed for peace with Palestinians, drafting

plans put forward by hard-line Likud prime minister Yitchak Shamir. Their coalition crumbled because Mr Shamir was not finally convinced of the need for peace. Two years later, in February

1992. Mr Rabin narrowly defeated Mr Peres for the Labour party leadership and in

June Labour was re-elected to power on a peace platform. Mr Rabin nevertheless promised to take a tough line in talks on surrender of land and on security. More than anything else political observers noted it was a victory for pragmatism over zealotry and ideology.

Mr Rabin was an avowed secularist who was often angry about being trapped in a coalition with parties he felt pursued too narrow an agenda. He was introverted and frequently slow – but careful – in his decisions and his analysis. He was never at home in diplomatic functions, had an aversion to a suit and tie, and treferred the company of military men to politicians and bureau crais.

But the peace process seemed gradually to be soften-ing his crusty exterior. Hours after his assassmation Mr Peres paid an emotional and eloquent tribute to his life-long colleague and occasional political foe. Mr Peres said that Mr Rabin had been reluctant to sing all of his life, but was finally persuaded to take part in the Song of Peace at the rally. "He didn't make a final testament but the last song he sang was the Song of Peace... The song of peace ringing in our ears will not end."

Julian Ozanne



You say, "What about the S/390 server?" Ah, everybody wins.

When it comes to client/server, the question is, how can you give everybody in your company what they want?

One sure way is the System/390 Parallel Enterprise Server. With it, you get the advantages of client/server computing, without giving up the safety and reliability your business has come to depend on from your current system. All while helping to make sure your existing system investment remains intact.

Can your server do this? the latest UNIX and client/server software from IBM and other leading

For starters, S/390 servers run

companies including DB2, PeopleSoft HRMS, Sybase Open Client/Open Server and Tuxedo, to name a few.

What's more, by connecting the S/390 server to your PC and UNIX networks (or to just about any of your networks, for that matter), you can easily manage your entire network system from any location.

If you're wondering about your current mission-critical applications. there are a variety of programming tools that'll make them a lot friendlier to a lot more people. And that should make everyone a lot more productive.

Perhaps you'd like to build your own applications. Object-oriented tools make it easier to develop new and more powerful applications to run on the 5/390 server. All in less time than migrating to another system. And because it's designed with an availability that

exceeds 99.99%, the S/390 server is built to help keep your business up and running. And running.

To see how far the System/390 Parallel Enterprise Server can take

your business, contact your local IBM Dealer. Or. just turn to http://www. europe.ibm.com/\$390 on the net. We think you'll like what we have to say.

UNEX is a registered trademark in the United States and other countries, licensed exclusively through XyOpen Company Limited. All other company, product and service names are trademarks or service marks of their respective companies

Croatia raises tension in peace struggle

By Laura Silber in Belgrade

International envoys yesterday met local leaders from eastern Slavonia. the last Serb-held region of Croatia, as the struggle continued to resolve the region's status without recourse to military action by Zagreb.

An agreement on eastern Slavonia would remove a key obstacle to the achievement of overall settlement in former Yugoslavia by the presidents of Serbia, Bosnia and Croatia who have been meeting in Dayton,

On the other hand, military action by Croatia would derail the US-spon-

Mr Peter Gelbraith, US ambassador to Croatia, and Mr Thorvald Stoltenberg. UN envoy, yesterday returned to the fertile region for talks with rebel Serb leaders in the Serb-held town of

Mediators are due to shuttle between Croat and Serb leaders who are studying a plan that calls for an interim period of transitional government before the region comes under direct rule by Zagreb.

Hopes for a settlement dimmed on Saturday when Serb leaders failed to

been sandbagged and windows boarded up in apparent anticipation

of war. Peace efforts acquired new urgency over the weekend after President Franjo Tudjman of Croatia warned he would not renew the UN mandate in Croatia, which expires at the end of this month. By then, he said, Zagreb must gain control of eastern Slavonia in order to avoid war.

UN officials vesterday feared Crostia would ignore warnings from western governments to refrain from action during the Dayton talks. Mr

sored peace process, seen as the best chance for ending the 42-month war regional capital, where buildings have chance for ending the 42-month war regional capital, where buildings have said: "Similar threats to throw out the United Nations in the past have been precursors to military action."

Some 180,000 Serbs fled Croatia in August and the handful who stayed suffered a campaign of violence. "This coupled with President Tudi-

man's public assertion that he 'will drink coffee in Vukovar by Christmas' are very worrying signals," said Mr Gunness. Vukovar, the main town in eastern Slavonia, was seized by Serb fighters in November 1991 after a bru-

tal three-month stege.

If Croatia takes military action, it would fly in the face of a pledge to

made by Mr Tudjman and President Slobodan Milosevic, his Serbian coun-

terpart, in Dayton last week. Mr Tudiman on Saturday appointed Mr Zlatko Matesa, the former economy minister, as the new prime minister following parliamentary elections won by his Croatian Democratic Union (HDZ).

Mr Matesa, who has taken part in negotiations with international financial organisations, replaces Mr Nikica Valentic, who has overseen the stabilisaton programme which reduced inflation to about 2 per cent from 2,000 per cent in 1993.

EUROPEAN NEWS DIGEST

Lubbers' Nato hopes grow

initial and a second

adia chang

les on bic

one licen

Supporters of Mr Rund Lubbers, the former Dutch prime minister, are increasingly confident that he could be named as the next Nato secretary general as early as this week.

The Netherlands government formally named Mr Lubbers as candidate last week after he appeared to pass muster in a "job interview" with the US government. He has been backed strongly by France and won the approval of the UK, as well as an initially reluctant Germany.

However, Mr Uffe Ellemann-Jensen, the former Danish foreign minister, emerged in buoyant form from a meeting over the weekend with Mr William Perry, the US defence secretary, and signalled that his own candidacy was still alive. Among the interested parties who would prefer the Danish candidate to succeed are the governments of the Baitic states, who see the Scandinavian countries as their best friends in the

The elevation of a strong figure to Nato's top political job will end a damaging period of uncertainty for the alliance. Mr Willy Claes, who resigned as secretary general last month after a year in office, was dogged by the corruption scandal that finally forced him to resign; and for much of last year, Mr Manfred Worner, the previous holder of the job, was virtually unable to work because of terminal cancer.

The unprecedented decision by the US to summon the candidates for "job interviews" was a reflection of Washington's keenness to get the decision right this time, just as Nato is about to embark on the challenge of implementing peace in Bosnia.

Bruce Clark, London

Russian sell-off controversy

Managers of one of Russia's largest oil companies have managed to retain control of their enterprise, in a development likely to increase the controversy surrounding

Russia's second stage of privatisation. In an auction on Friday afternoon, Surgutneftegaz Pension Fund won a 40 per cent stake in Surgutneftegaz, Russia's second largest oil producer. Surgutneftegaz Pension Fund is a subsidiary of the oil company itself and its victory is likely to fuel concerns that the privatisation this autumn of some of Russia's most valuable enterprises is being controlled by a small group of insiders.

Rosneft, a smaller Russian oil company, tried to participate in the auction, but company officials said every effort was made to bar their bid, including an attempt to close the airport at Surgut, where the auction took place. The auction commission, which was strongly influenced by Surgutneftegaz management, allegedly refused even to consider the hostile Rosneft bid, restricting the competition to two subsidiaries of Chrystia Freeland, Moscou

London police hold Algerian

Police in London have arrested an Algerian on suspicion of involvement in a wave of bombings in France. One of those errested is Mr Abdelkader Benouif, alias Abou Fares, believed to be a leading member of the Armed Islamic Group (GIA), an extremist Moslem group which accuses France of backing the Algiers military government in a civil war against Moslem fundamentalists.

The GIA has claimed responsibility for bombs which have killed seven people and injured 170 in France since July. The French Journal du Dimanche newspaper said French police were surprised and rather upset by the arrests, as they wanted more time to prepare extradition requests. Reuter, London

Presidential aides insist Yeltsin is still in control

Battle for control of Kremlin intensifies

By Chrystia Freeland in Moscow

The struggle for control of the Kremlin intensified over the weekend, when a public row erupted between presidential aides and Russian prime minis-ter Victor Chernomyrdin, while a group of leading Russian businessmen launched a campaign for the postpone-ment of December 17 parliamentary elections.

Predictions of a communist and nationalist landslide in the parliamentary poll and the heart attack suffered 10 days ago by Mr Boris Yeltsin, the Russian president, have shaken the Russian establish-ment's hold on political power, provoking a fierce battle for

control of the country. One front in this conflict is the struggle between the presidential entourage and Mr Chernomyrdin to fill the political vacuum created by Mr Yeltsin's heart attack. Over the weekend, the presidential clique stepped up its attack, insisting that Mr Yeltsin remained fully in control of the

These assertions forced Mr Chernomyrdin to back down from his previous claim that the president had formally transferred some of his powers

"The president has not

Parliamentarians in the former Soviet republic of Belarus have caved in to pressure from President Alexander Lukashenko, in a move which is likely to sabotage parliamentary elections scheduled for November 29. The MPs backed the president's view that the polls should be valid only if 50 per cent of the electorate votes. Because of widespread public apathy, such a high turn-out is unlikely, but invalid elections would strengthen the president and those MPs who already have

seats in parliament. one while he has been ill." Mr Sergei Medvedev, the presiden-tial spokesman said. Nor was that possibility raised during Friday's conversation between Yeltsin and Chernomyrdin."

After the Friday meeting, Mr Chernomyrdin had said he was co-ordinating the work of the key security ministries, a task normally reserved for the president. But after the public rebuke from presidential aides. Mr Chernomyrdin reversed his position, insisting that "Yeltsin has not handed over his powers to anybody".

The personal clash between the presidential entourage and the prime minister could be dwarfed by the broader effort turned over his powers to any- of Russia's new political and economic élite to prevent com-munists and nationalist from coming to power.

Over the weekend, a group of leading businessmen, who fear that a communist victory at the polls could lead to a rollback of market reforms, launched a campaign to have the Constitutional Court declare Russia's election law invalid. Such a ruling would force a postponement of December 17 parliamentary

Several prominent Russian politicians, including Mr Mikhail Gorbachev, the former Soviet president, and Mr Gennadi Zyuganov, have also said that the Russian establishment is seeking ways to postpone the parliamentary ballot.

However, the weekend also brought good news for Russian democrats, when the Supreme Court ordered the government to register Yabloko, the second most popular political party in the country, which last week had been banned from participating in the elections.

Mr Grigory Yavlinsky, the Yabloko leader, who accused government officials of banning his party in an effort to prevent him from becoming a rival to the presidency, hailed the Supreme Court's ruling as a victory for democracy. democracy in Russia," Mr Yav-



Vote split in Polish poll

The presidential election in Poland, where President Lech Walesa is fighting for a second five-year term against a strong challenge from Mr Aleksander Kwasniewski, a youthful former communist, looked certain to go to a second round in two weeks, with none of the 13 candidates able to win 50 per cent of the poll yester-

Preliminary exit poll results from the PBS unit, published by the Rzeczpospolita newspaper, saw Mr Walesa with 35 per cent of the ballot marginally ahead of Mr Kwasniewski, who was reported to have won 34 per cent of the votes by lunchtime These results would eliminate Mr Jacek

Kuron, the former dissident and labour minister, who received 9 per cent according to the

Ms Hanna Gronkiewicz Waltz, the central bank head, who with around 3 per cent is expected to fail to achieve her aim of creating a strong centrist Christian Democrat move

The election comes as the government is in the hands of a coalition made up of the Left Democratic Alliance (SLD), which is Mr Kwas-niewski's party, and the Polish Peasant party (PSL), whose leader, Mr Waldemar Pawlak, a former prime minister who also ran for the presidency, appears to have won around 5 per

cent support.

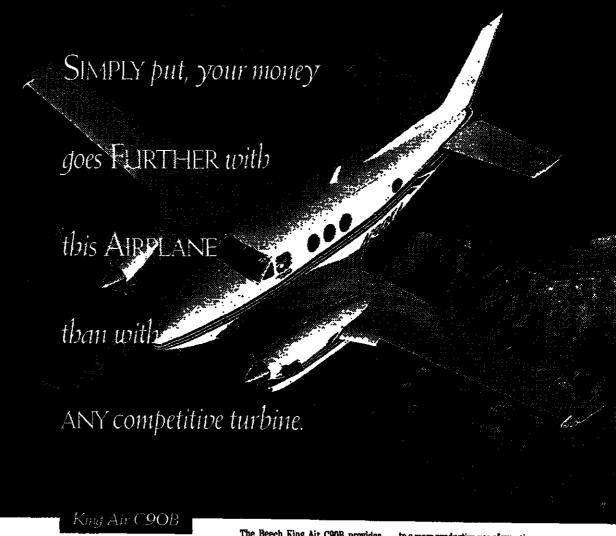
Much of Mr Walesa's support yesterday came from Poles who are unhappy at his record over the past five years, but fear seeing both the government and the presidency in the hands of the former communists.

"I know it's late, but I'd like some sushi. How far do I have to go?"



You needn't ever leave the comfort of your Four Seasons room to be transported by a talented chef. Room service menus abound with regional selections: from deep-dish pizza, to striped bass prepared without unwanted calories, to homemade chicken soup at midnight. For the same breadth of choice in another unequalled setting, simply visit our FOUR SEASONS HOTELS restaurants downstairs. In this value-conscious era, the demands of business FOUR SEASONS - BECENT demand nothing less. To reserve, phone your travel counsellor or call us toll free.

Four Seasons - Regent. Defining the art of service at 40 hotels in 19 countries.



The Beech King Air C90B provides ample proof that comfort and efficiency eed, mutually coexist.

The C90B is the most direct route to twin-turbine efficiency and reliability. No jet comes close to saving you the kind of money on fuel costs you'll save with this airplane.

And yet, saving on fuel is just one business advantage to owning a C90B. There is also the reassurance of a service and support network larger than any other in the world.

Another advantage is the comfortable working conditions. The cabin is designed for efficiency, with spacious room for five key executives to conduct business. The appointments are consid erable. The sound levels are not. This kind of environment lends itself

to a more productive use of your time. The proven Pratt & Whitney jetprop engines make more productive use of your fuel.

Together, they offer you a more produc tive use of your money. If that is something that is still popular at your corporation contact the Beech distributor nearest you or call Beech Marketing, Wichita, KS, U.S.A. 1-316-676-7072, FAX: 316-676-8808, TELEX: 203603 (BEECH) for more information about the Beech King Air C90B.

Baytheon Aircraft

Beech Hawker

Are flatteren Aircraft Sales Phone: (41-252) 898089 Fas: (44-252) 890102

Angeborg, Germany Phone: (49-821) 20030 Par (48-821) 70(3) 63

Fax (49:30) 8351235

Phone: (49-421) 536590

Phone: (33-14) 992/672

Phone. (45 42) 3910\$) Face (45 43) 390421

Phose: (41-25) 73°C400 Fax: (4):22) 784508

Barrie and tonery

Constitute Madian

•

R. W.

NEWS: ASIA-PACIFIC

hits security links with US

By William Dawkins in Tokyo

The US-Japan security alliance hit a new setback over the weekend when Mr Masahide Ota, governor of Okinawa, refused a central government request to extend leases for US bases on the southern Japa-

Mr Ota rejected an attempt by Mr Tomiichi Murayama, the Japanese prime minister, to persuade him to sign documents obliging local landowners to extend leases to the US military - which keeps three quarters of its Japanese mili-tary installations on the island - when the contracts begin to come up for renewal next

His refusal, after a five-hour meeting, makes it extremely unlikely that the Japanese government will resolve the row over US bases, provoked by the rape of a schoolgirl for which three US servicemen have been charged, before Mr Murayama meets President Bill Clinton for a summit in Tokyo on November 20.

Mr Murayama is entitled to order Mr Ota to sign the leases forthwith, and can make a legal appeal to sign in the gov-ernor's place if Mr Ota refuses.

Mr Murayama indicated that he would appeal if necessary: court authorisation to override the governor would be unlikely to be withheld. "I will make a judgment on the issue myself," said the prime minister.

This would assure the US presence on Okinawa, though Tokyo and Washington have agreed to study whether the forces could occupy less space.
Okinawa is the largest single
US base in Asia, housing
nearly half the 47,000 US troops

The prime minister is under pressure from the pro-US Lib-eral Democratic party, domi-nant member of the threeparty government coalition, to avoid further harm to the Washington alliance. On the other hand, Mr Murayama has little evident enthusiasm for overruling the Okinawans. Until taking office last year, he maintained the US-Japan pact was unconstitutional.

Mr Ota's action is the first time a local governor has sought to resist US forces in Japan during the 50 years they have been stationed there. It is a mark of how the end of the Cold War has begun to erode Japanese public support for US military protection.

Okinawa row Bhutto tries to allay fears of China rejects Pakistan's trusted neighbour call on rights

Alleged aid for Islamic militia in Afghanistan concerns Iran in Hong Kong

s Benazir Bhutto, the Pakistani prime min-ister, leaves for Tehran today on a visit aimed at easing concern over her country's relations with one of its most trusted neighbours.

For Pakistan, faced with security threats from India on its eastern and southern bor-ders, and from Afghanistan towards the north, relations with Iran remain pivotal to defence policy.

Successive Pakistam leaders have therefore tried to main-tain close relations with Iran, the country's western neighbour, which provides Pakistan with its longest secure border. But Iranian officials have become concerned in recent months at Pakistan's alleged support for the Islamic talibaan militia in Afghanistan, which has emerged as that country's strongest force.

If the talibaan attack Kabul,

the Afghan capital, which it promised to do next week, the balance of power would shift against factions in Afghanistan which have relied on Tehran's support.

Pakistani officials are concerned that the Iranian regime would see such an attack as an



Islamabad-inspired effort to install a puppet government in Kabul. One official says: "We'll try our best to let the Iranians know that we have no involve-ment with the talibaan. In case there's an attack on Kabul, it would be important for Tehran and Islamabad to maintain

close contact." Reports of tensions in Pakistani-Iran relations have prompted some of Pakistan's for closer ties with Tehran, Mr. Zulfikar Ali Khan, a former

says: "It is in our national interest to have good relations with Iran."

Some Pakistani officials say the closer ties built by Islama-bad with Washington during Ms Bhutto's two years in office has added to Iranian concern. Washington cut off military and economy aid to Pakistan in 1990, under the Pressler amendment which called for withholding assistance unless the US president could certify that Islamabad did not have

nuclear capability.
The US administration has

refused to provide such certification. But both houses in the US legislature voted last month to sell Pakistan military equipment worth about \$570m (\$234m), held back under the Pressler sanctions. This was in part a recognition of Ms Bhutto's efforts to present Pakistan as a moderate Islamic state in a strategically impor-tant region, diplomats say.

The Iranians are probably worried because they see the trends of the past two years as a sten that Pakistan is getting closer to the US," says one senior western diplomat.

Commentators such as Mr Akram Zaki, a former leading Pakistani diplomat, believe Pakistan can simultaneously pursue closer relations with both the US and Iran.

"There is nothing wrong in getting close to the US as long as we don't get involved in schemes against third countries", says Mr Zaki.

Other Pakistani officials say a clash with Iran would endanger domestic security. Pakistan has a substantial shia minority, many of whom are sympa-

Farhan Bokhari protection of the covenant

in Hong Kong

China has rebuffed a call from the United Nations Human Rights Commission for Beijing to file human rights reports about Hong Kong after the colony passes to Chinese sovereignty in 1997. A senior Chinese govern-

ment official said at the weekend China bad no such intention as it was not a signatory to the international covenant on civil and political rights. This is the second time in a month China has found itself at odds with the international community on human rights ssues in Hong Kong.

Three weeks ago Beijing said it would scrap three key sec-tions of the Bill of Rights, an important guarantor of civil liberties, and reinstate six security and broadcasting laws, recently amended to con-

form with the bill. The UN commission said on Friday Hong Kong's change in sovereignty was irrelevant to the covenant's application. Once the people of a territory found themselves under the

denied to them by virtue of the mere dismemberment of that territory or its coming within the jurisdiction of another

Mr Xu Ze, of Beijing's Hong Kong and Macao affairs office. said China was not a signatory state of the rights covenants. He said that the question of human rights in Hong Kong had been "resolved" and that rights were fully protected by the Sino-British Joint Declaration of 1984 and the mainland's Basic Law for Hong Kong.

The Hong Kong government, however, welcomed the UN determination. Mr Daniel Fung, solicitor general, said the committee's view on the application of the rights covenant after 1997 was "an extremely helpful and important statement of international law principles."

The UN committee's report on Hong Kong, although generally favourable, criticised authorities over living conditions of Vietnamese refugees. methods of investigating complaints against the police, and the lack of a human rights

India changes rules on bids for phone licences

The Indian government has imposed a ceiling on the number of areas where companies can operate basic and cellular telephone services in the cur-

rent round of licence awards. The country has been divided into 20 "circles" and the government has announced that companies will be limited to operating in three of the most lucrative, such as Maharashtra, Gujarat, Karnataka, Tamil Nadu, Delhi, Andhra Pradesh, Punjab and

Haryana. by the government after unexpectedly aggressive bidding by a little known company, which topped the bidding in nine of the circles. Fascel, a joint venture between India's Himachal Futuristic Communications, Bezeq Communications of Israel and Shinawatra Telecommunications of Thailand. outbid international telecom-

AT&T, Itochu and US West. While licences would be awarded to two companies per telecom circle for cellular services, only one operator would be given a licence to provide basic telephony.

Fascel is a big beneficiary from the revised rules. The company will be allowed to provide basic telephony in three areas, without forfeiting any deposits for reckless bidding in other circles.

Another gainer is the joint venture between Reliance, India's largest private sector company, and Nynex of the US, which has successfully bid for

Higher production and sales of cars and utility vehicles contributed to 27 per cent growth in India's car industry for the half-year ended September 30, Shiraz Sidva

The Association of Indian Automobile Manufacturers said growth had been highest in the utility vehicles sector, with a 64 per cent rise in production and a 50 per cent rise in sales over the same

period last year. Cars registered a 25 per cent increase in sales. The market registered growth of over 25 per cent.

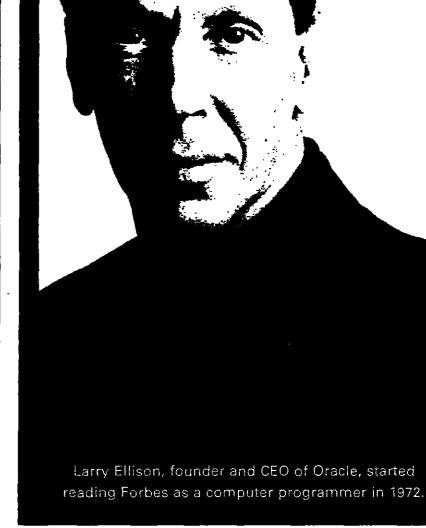
seven circles. Birla Com. a joint venture between AT&T and the Aditya Birla group, has also benefited.

US West and its joint venture partner, BPL India, on the other hand, have lost out. They will be allowed to choose only munications giants such as one of the most lucrative circles for basic telephony because it has the highest bids in two southern states for celhılar services.

"We were certain that the large bank guarantees imposed would serve as a ceiling, and we did not expect any company to bid aggressively for more than four circles," said Mr RK Takkar, chairman of the government's Telecom

> The government will gain about Rs1,100bn (\$31bn) in licence fees from basic telephone operators over the next 15 years, Rs400bn more than it had estimated.





Michael Dell, founder and CEO of Dell Computers, borrowed his first copy of Forbes from his mother in 1978.



Success isn't something you will into existence. It takes drive. Vision. And, of course, the right tools. No wonder then that over 779,000 of America's top executives turn to Forbes for information they can act on. Throughout their careers. So, if you're serious about reaching this influential audience, make an executive decision. Advertise in Forbes.

Australia protest at US trade barriers

US trade barriers are costing Australian manufacturers A\$600m (US\$448m) a year in lost export opportunities and the sugar industry about A\$360m, Mr Bob McMullan, Australia's trade minister, said yesterday. Reuter reports from Canberra.

Releasing a Department of Foreign Affairs and Trade survey of US trade barriers, Mr McMullan said the US had a generally open market. "But in a number of areas of key importance to Australia, the US maintains a range of trade barriers and practices which distort our trade relationship."

This was particularly the case in agriculture, where Australia had a number of long-standing complaints about such areas as sugar and dairy products. He said US farm subsidy programmes had been a source of tension in

The survey showed the US sugar regime had cut Australia's exports to the US to less than a third of their pre-1982 levels, resulting in a net loss to Australian exporters of more than U\$\$270m (£170m) a year. The government was pressing the US to suspend



Argentina set for state sector pay cuts

Argentina is likely to announce pay cuts for about 1m state employees today in an attempt to bolster its fragile public finances

The decree is likely to follow a meeting between President Carlos Menem and Mr Domingo Cavallo, his economy Domingo Cavallo, his economy minister, and the governors of the country's 23 provinces to demanding salary cuts for pro-

urge tighter financial manage-ment. They will also discuss how to co-ordinate national tax and spending policies.

Mr Menem last week confirmed the government was considering wage cuts of around 5 per cent, saving more than \$500m (£316m) a year, dismissing suggestions that the cuts could be up to 15 per cent. vincial government workers as part of an overall package. The case for tighter fiscal control was highlighted last week by figures showing that federal tax collection fell 4.1

per cent in October and was 3.1 per cent below the already downgraded target. One governor, ex-general Antonio Bussi of the northern Andean province of Tucuman, has already moved to cut his

government's wage bill -

ordering a 10 per cent reduc-tion in salaries to be offset by a shorter working week. But Mr Eduardo Duhalde. the powerful governor of Buenos Aires province, has dismissed the need to cut salaries

of employees in his province -

which the smaller provinces argue is unfairly favoured in allocation of federal funds. It appears likely that the president and Mr Cavallo will propose a modest, across-the-

demand bigger reductions from more highly indebted prov-

Many of these pay higher sal-aries than the national aver-age. Rio Negro and Córdoba, for example, two provinces fre-quently pressed by Mr Cavallo over alleged financial mismanagement, pay average monthly salaries of \$1,249 and \$1,318 respectively against a national average wage of \$1,085.

that Argentina will be able to balance its budget this year, given the slowdown in the domestic economy and in tax

In August, the International Monetary Fund relaxed demands for a 1995 fiscal surplus of \$2bn, excluding privati-

Now it accepts a balanced budget position including pri-

Orders clear the air for McDonnell Douglas

r Harry Stonecaparea, executive of McDonnell Douglas for barely a year, has in two weeks booked a brace of complementary orders which could mark a turning point in the fortunes of the group's commercial aviation business and California's battered

aerospace industry. The big one landed late last Friday when the Pentagon announced plans to buy a further \$18bn worth of C-17 military transporters, thus assuring the group's Long Beach military works of at least seven years' work. Set against the \$1bn deal. announced late last month, in which Atlanta's two-year-old Valujet airline became the first to order the new MD-95 100-seat jetliner, the US defence department contract underlined the huge imbalance between McDonnell Douglas's military and civil wings.

Shrinking sales and market share, as the slump continues in the international commercial aviation market. have fed speculation that the Douglas sheds at Long Beach might soon be razed to provide yet another golf course, near California's tourist trails. The group's share of the commercial aircraft market has tumbled to less than 10 per cent from 22 per cent at the start of the recession five years ago. Part of the problem, say analysts, is that the group's product mix is not rich enough to attract international airlines. These might prefer the onestop-shopping attractions of Boeing or, increasingly, Airbus Industrie. The MD-95 - successor to the DC-9 - joins a range comprising the mid-sized MD-80, the 155-seater MD-90 and the wide-bodied MD-11. The anxieties about airlines' pur-chasing strategies were underlined

earlier this year when Scandinavian Airlines System turned unexpectedly away from the MD-95 and to the Boeing 737 instead.

Valujet, a fast-rising newcomer spe-cialising in ticketless flying free of hassles, frills and luxuries such as lunch, may have lacked some of the high-profile characteristics once considered desirable in a launch deal, but its \$1bn deal on 50 MD-95 and an option on a further 50 did more, hopefully, than set the ball rolling.

he order, and the keen price (negotiated only after rumours emerged that Valujet, too, was backing away) gave the clearest indi-cation yet of the impact of Mr Stonecipher's cost-cutting measures. Threats to move the construction of the air-craft to Dallas, Texas, to avoid high Californian costs, doubtless helped.

But the company now has mediumterm agreements with trade unions, power and other utilities, and state and local government which allow it a reasonably clear view of future costs. Wage and cost-of-living increases are to be capped at a maximum of 4 per cent a year for the next four years.

As a result of these agreements, the company's 9,500-strong commercial aviation workforce is expected to be expanded by the immediate addition of 400 development engineers and the hiring of 1,500 production line work-ers when assembly starts in 1998. Knock-on benefits are also expected among local suppliers such as Allied-Signal and Teledyne.

Despite the sleight-of-hand usual to

aircraft pricing deals, the latest \$18bn (£11.3bn) military contract served to highlight McDonnell Douglas's costs

Only last week a US congressional committee reported that 80 aircraft would cost \$21bn. As it turns out, according to Mr Don Kozlowski, the C-17 project manager, the group is committed to delivering the new air-craft at two-thirds of the unit price charged for the first batch of 40,

ordered by the Pentagon in 1993.
With labour and other costs under relative control, management's main task now is to build on the base provided by the US government's endorsement of the C-17 as a flexible, high-speed replacement for its pensionable transporter fleet of about 220 C-141s, and sell both into foreign markets and to civil airlines looking for new cargo transporters. "It is not a cake-walk, but we can do it," Mr Kozlowski said at the weekend.

Christopher Parkes

Financial Times. World Business Newspaper.

Mastering Management is a 20 week series being published in

the UK edition of the Financial Times, to which international readers can also subscribe.

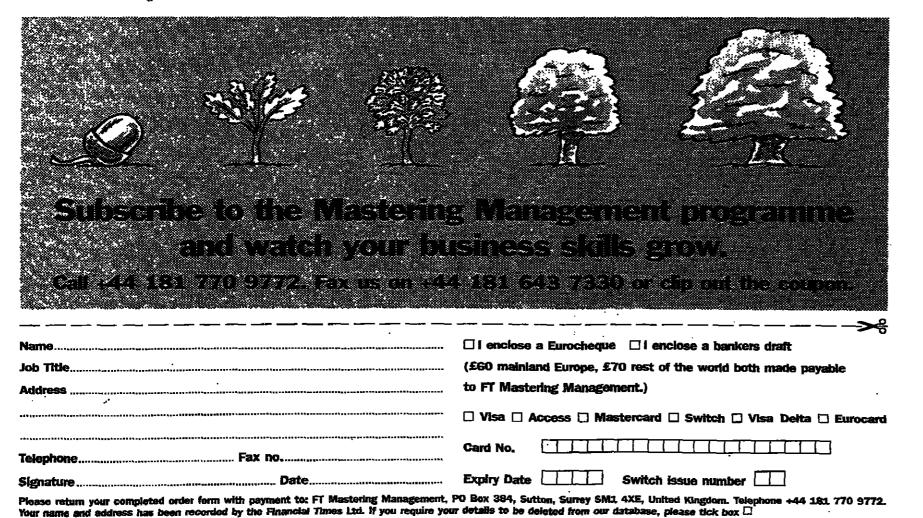
The series of tabloid supplements, sponsored by United Airlines, comprises 19 modules ranging from Marketing to Business Ethics, Strategic Management to Organisational Behaviour and Leadership to Finance.

Written by over fifty academics from three of the world's leading business schools, the course examines the latest thinking and current management practices. It builds into a valuable resource for those considering further business qualifications and provides practical guidance for everyone involved in business management.

At £60 for readers in mainland Europe (£70 for readers in the rest of the world), you can have the series delivered weekly, or complete at the end of the course. Subscriptions can be taken at any point during the series, and you can write or call for individual issues you may have missed.

Should you want to cancel your subscription at any time, we will credit you for the issues you decide not to receive.

Subscribe now to make sure you don't miss out; lines are open 24 hours a day.



INTERNATIONAL NEWS DIGEST

Kodak steps up assault on Fuji

Lawyers for Eastman Kodak of the US yesterday fired another broadside in support of the company's campaign for US trade action against anti-competitive measures allegedly used by Fuji of Japan to dominate its domestic market for photographic film. In a two-volume document of more than

Induced the lawyers seek to refute argument of more than 1,000 pages, the lawyers seek to refute arguments by Fuji intended to rebut Kodak's complaint to US authorities in May.

Mr Mickey Kantor, US trade representative, has launched an investigation into the Kodak complaint under Section 301 of US trade law and resulted accomplaint under Section 301 of US trade law and requested consultations with the Japanese government, Japan's Ministry for International Trade and Industry has declined to enter negotiations with Washington insisting that the dispute is between the companies, not their governments, and involves issues of competition law, not

Yesterday's document, prepared by the Washington office of Dewey Ballantine, Kodak's lawyers, seems at least partly intended to keep its complaint in the public eye and to maintain pressure on US trade policymakers, who have until next summer to decide on action. One of the main new points in the document, which relies heavily on press reports and official Japanese government figures, is an allegation that Fuji holds substantial cash "security deposits" from the four main Japanese wholesalers of photographic film. The document says the deposits bear out Kodak's claim that Fuji effectively controls the wholesalers, an assertion vigorously denied by the Japanese company. Guy de Jonquières, London the Japanese company.

Close Trinidad result forecast

Opinion polls are predicting a close win for the incumbent People's National Movement in today's general election in People's National Movement in today s general reference of the prime minister and leader of the PNM, and Mr Basdeo Panday, leader of the main opposition United National Congress, have both dismissed the polls, each saying they expect to win by a significant margin.

The UNC's prospects of victory have improved in recent weeks with the appearance on its platform of several former leading members of the PNM, including former ministers. But Mr Panday failed in an effort to strengthen his challenge to Mr Manning through creating a coalition of his UNC with the minority opposition National Alliance for Reconstruction, led by Mr Arthur Robinson, a former prime minister.

Mr Manning, who is seeking a second consecutive term, called the election a year before it is due after the government's parliamentary majority had been reduced to one, following deaths and defections of MPs and a loss at a Canute James, Port of Spair

Slush fund inquiry widens

South Korean prosecutors yesterday said they planned to investigate the bank accounts of two prominent businessmen to determine whether they bribed former President Roh Tae-woo in return for government construction contracts. The two businessmen are Mr Chung Tae-soo, the chairman of the Hanbo group, and Mr Bae Jong-yul, the former chairman of

Prosecutors said they had confirmed, after questioning Mr Chung, that Hanbo had laundered Won59.9hn (£50m) from Mr Roh's hidden bank accounts and used the money as a loan for the group, which has a large debt burden. Hanbo, a steel and construction conglomerate, had a gearing ratio of 517 per cent in 1994, according to SBC Warburg Securities in Seoul. Mr Chung and Mr Bae are alleged to have made sizeable contributions to Mr Roh, who recently confessed to have amassed a \$650m (£410m) slush fund from business donations during his 1988-1993 term.

The former head of Mr Roh's presidential security guard told prosecutors last week that many businessmen had personally handed over to the president sums of money ranging from \$500,000 to \$10m. Meanwhile, prosecutors obtained court approval to maintain surveillance on Mr Bae's home and family after he went into hiding last week. John Burton, Seoul

Argentine munitions toll rises

The death toll from an explosion in an Argentine munitions factory in Córdoba province rose to 13 over the weekend, with 200 workers still unaccounted for. Many of those missing may have fled the central Argentine town of Rio Tercero where the defence ministry plant is located. Bombs and shrapnel continued to pepper the town yesterday, following a fire in the plant on Friday.

Authorities, fearing that fire could spread to an underground heavy artillery depot, said they did not know when it would be safe to enter the plant. Some 330 people were injured in the initial blast, which was heard throughout a radius of 30km. President Carlos Menem, who visited the site shortly after the explosion, has promised to provide government money to help rebuild Rio Tercero and compensate victims.

David Pilling, Buenos Aires

Typhoon kills over 500

The death toll rose above 500 yesterday from the strongest typhoon to hit the Philippines in 11 years, and officials said about 280 people were still missing.

They added that typhoon Angela, which smashed through They accent that typhoon Angera, which smashed through the Philippines' main island of Luzon on Friday, had caused at least 898m pesos (£21.9m) damage to agriculture and more than 1bn pesos property damage. Nearly 20,000 people were

CONTRACTS & TENDERS

SECTION - I

INVITATION FOR BIDS (IFB)

IFB/MOI 06.11.95

starting from the day of signature of the Contract. Initial 's disposal is up to 80 million let salbanian currency! I cover the total amount of ID - card lasting suitions, source cache. over the total amount of ID - card inering suc ty of imprinted ID - cards to be delivered w

2. The Ministry of Interior

3. Cost of Bidding Do Period of bid validary will be not less than 60 (staty) days from the date of bid dentities (bid opening date).

timion deadline and but opening date will be on 21.1295, 12.00 molds may be purchased by any interested eligible Bilder on the submission of a written application and upon payment of the aforementioned non-refundable fee on accounts. 333,030 of Economic Department of MOI at National Commercial Alberton Bank

ns de opened in the presence of Budder's representatives who choose to auto-midday, at Ministry of interior, interested eligible Budder may obtain fo tion, from the office of: Bids will be opened in the

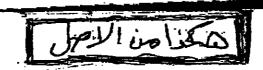
PROCUREMENT DEPARTMENT
MENISTRY OF INTERIOR

Tel: + 355 42 26801 3358

Pax: + 355 42 33607

All bids must be accompanied by a bid security of not less than 2% of bids offered praces which must be delivered to the above office with the Bidding Documents on or better 12.00 midday (local time) on 21.12.95.

10. The Bidding Documents may be consigned also by a DHL Special Prog. In addition cost of Bidding Documents in this case, an interested eliminate Documents in this case, an interested eliminate Declaration of the programment of the progr cost of Bidding Documents in this case, an interested eligible Bidder will also bear the cost of beving them desputched by Df.H. courier service.



iness !

permie showdo

Business warns over 'shrill' debate on Europe

Business Correspondent

Britain's business community will today unite to warn the government that the "shrill and badly informed" political debate on Europe in the UK parliament is threatening to undermine the country's economic inter-

The employers' body, the Confederation of British Industry and the Brit-ish Chambers of Commerce will publish the results of the largest-ever survey of UK business opinion on Europe. It confirms overwhelming

membership, but highlights impatience and frustration with the tone of remained fully committed to Europe, present arguments over the shape of future European development.

Sir Bryan Nicholson, CBI president, said Mori's survey, which sought the views of 5,000 companies from all secturs and of all sizes, shows "no support for a shrill, zenophobic, national-istic debate which does not deal with the real business issues".

He added: "Being bloody-minded is not the way to defend national interests. There is a very strong desire in industry for rational and properly informed debate. Without that, we support for Britain's continuing EU could end up making the wrong deci-

but important arguments over European development were being smothered by political rhetoric unhelpful to companies operating in EU markets.

Mr Robin Geldard, president of the BCC, echoed his view: "Businesses admit they are not well informed about crucial European issues. They have not got the information they so

"For too many politicians, Europe has become a vehicle for their flights of fancy, the national debate must be less political and more practical," he Calling on the government to maintain an open-minded approach on advantages and disadvantages of joinissues such as economic and monetary union, Sir Bryan referred to suggestions that Mr John Major, the prime minister, is considering a preelection manifesto commitment to rule out British membership of a single currency in the lifetime of the next parliament. Such a decision, he "would go down like a lead bal-

loon" with industry Sir Bryan said although the survey showed business was "positive" about the benefits of a single currency, it overwhelmingly supported the goverament's present, opt-out position.

advantages and disadvantages of joining at the appropriate time.
"Why not stick to it, why change?"

To give a commitment now not to enter before a particular date would be unacceptable."

Industry leaders had felt vulnerable to charges that their public stance on Europe and on issues like Emu did not necessarily have the broad back-

But both the CBI and the BCC believe they now have a mandate for spelling out industry's views in the run-up to next year's EU intergovern-

NEWS DIGEST

US competitor set to undercut **British Gas**

Amerada Hess, the US oil company, will undercut British Gas prices by 15 per cent next April when 500,000 consumers in the south-west of England will be allowed to choose their gas supplier. The company, which is one of the larger North Sea oil and gas producers, says it will guarantee the lower prices for two years. But consumers will be able to cancel their contract with Amerada Hess by giving 28 days notice.

Ms Caroline Harper, the executive in charge of the Amerada Hess natural gas business, said she expected the company would be able to offer a similar discount nationwide when the full residential market of 18m households was opened to competition in 1998.

The announcement by Amerada Hess is the first evidence that competition will result in lower gas prices for consumers. In the past competitors to British Gas have held out the prospect of savings of around 10 per cent. But some industry executives doubt whether large numbers of consumers will switch for such a relatively small saving. The government is keen that gas competition, which has proved to be politically contentious, results in considerable price cuts for consumers. It is not known whether British Gas will match the discount.

Robert Corzine, Industrial Staff

Managers may buy dockyards

The future of Britain's two Royal Navy dockyards will be considered again by ministers this week, with the likely outcome that the Rosyth yard in Scotland will be sold to its

managers, Babcock International.

But Mr Michael Portillo, the defence secretary, could be faced with the political embarrassment of having to abandon the sale of Devonport dockyard because of problems in doing a deal with its managers, DML, Babcock, the only builder for Rosyth, is confident it is on the verge of acquiring the Fife dockyard, which it has managed for the Ministry of Defence since 1987. Executives expect Mr Portillo to make an announcement before Christmas. George Parker, Westminster

Swans set for first contract

Swan Hunter, the Tyneside shipbuilder sold by receivers in June, expects to win its first contract under its new ownership within the next eight weeks. Since receivers Price Waterhouse sold Swan Hunter's name and its main Wallsend site for an undisclosed price, thought to be about £4m, the new Swan Hunter (Tyneside) has been waiting for its first order.

But Mr Jan Veldhuizen, the managing director, says he is confident the company is within weeks of clinching a project which, by Easter, would mean contract employment for up to

Swan Hunter (Tyneside) is waiting to hear about several contract possibilities. These are believed to include work from Singapore and a tanker conversion needed for Conoco's Mac-Culloch North Sea oilfield.

Swan Hunter went into receivership in May 1993. In June this year receivers Price Waterhouse sold the yard to Jersey based THC Holdings (UK). A day later, THC sold its main subsidiary, Hartlepool-based THC Fabrication, to Dutch-owned Heerema Fabrication Group. Swan Hunter is now owned by Mr Jaap Kroese, THC's principal shareholder. Mr Veldhuizen was previously managing director of THC Fabrication.

Chris Tighe, Newcastle-upon-Tune

Government set | Fork lift boss back in business for showdown on 'sleaze' vote

By James Blitz. Lobby Correspondent

The government could face a serious embarrassment in tonight's House of Commons vote on the implementation of the Nolan report into so-called "sleaze" and public standards, amid signs that Ulster Unionist MPs may support public disclosure of MPs' incomes from out-

side interests. As Westminster braces itself for one of the most charged political occasions of recent years, Mr David Trimble, eader of the Ulster Unionist party (the largest party in Northern Ireland), said he supported the disclosure of MPs' incomes from private consul-"probably" turn up at Westminster to support a crucial opposition amendment imple-

Mr Trimble said he was in favour of "maximum openness" in matters relating to the public's confidence in its institutions, and that his preference was for disclosure of outside

A Conservative whip admitted that the appearance of any of the Ulster Unionist MPs in the division lobbies tonight would be critical in deciding how the Commons voted on the issue and would make for

Senior ministers yesterday continued to back the recommendation of a Commons committee which has scrutinised the Nolan committee's findings. The committee last week advocacy, but said MPs should

not be required to disclose out-

side earnings from consultancy Tonight's debate will be fol-lowed by a series of free votes which MPs can choose which division lobby they go into. But senior Tory MPs pri-vately admitted that the government would find it hard to avoid a major political embarrassment if the Commons voted in favour of the Labour amendment calling for disclo-

sure of earnings. The government has a working majority of six over all other parties, including the Ulster Unionists, but four Tory MPs have said they wish to see full disclosure of income from

outside interests. Some MPs are hoping the Commons might back one of the two compromise motions that have been put forward for tonight's debate. These would force publication of the remuneration for commercial contracts secured as a result of an MP's parliamentary work - but the rule would come into effect only after the next general

By Andrew Baxter in London Sir Neville Bowman-Shaw, who

lost control of the Lancer Boss lift truck group when it went into receivership last year, is building a sales and distribu-tion business that competes with his former company and its new German owners. dling, which Sir Neville set up

late last year, has bought the authorised dealers for Clark lift trucks in northern England and in northern East Anglia. The trucks are imported, mainly from Germany. The takeovers have put Sir Neville in direct competition across about one-third of

his former company, and Ham burg-based Jungheinrich, which bought Boss from receivers in May last year. Sir Neville, aged 65, founded Lancer Boss in 1958 with his

brother Mr Trevor Bowman-Shaw. They owned all the shares in the company, which collapsed in April last year in a controversial receivership that Sir Neville has maintained need never have happened. Sir Neville is unabashed by

the prospect of competing for sales with his former employees. "I don't think there is much room for emotion in industry," he said. "Lancer Boss is a chapter that's closed, or I would like to think it is Sir Neville said he returned

because he knew it well, but he

so it was sensible to go into distribution. You can make a bigger impact more quickly." He was also attracted by

selling machines made by Clark, which has more lift trucks in service worldwide than any western producer but slipped down the international rankings in the 1980s as its products became outdated

Since 1992, however, when the Clark lift truck business to the lift truck industry was bought by Terex of the US, its product range has been extensively modernised. Ironically, Terex lost to

Jungheinrich at the last £2m (\$3.1m). The purchases minute in last year's battle for were partly bank-financed, and Lancer Boss.

Sir Neville Bowman-Shaw will be in competition with both Boss Group and Jungheinrich

Bowman's first acquisition came this spring, with the purchase of Stephensons. based in north-west England. and was followed by that of Midlands-based Avanti. Sir Neville is also looking for a Japanese and a Pacific Rim product range to distribute elsewhere in the IIK.

Sir Neville would not say how much he paid for the dealerships, although it is believed Stephensons, now were partly bank-financed, and Sir Neville says he has continued to receive support from NatWest, his main banker at Lancer Boss. His brother has a small shareholding in Bowman.

Since the Lancer Boss receivership, Sir Neville has also been appointed non-executive chairman of Forexia (UK), the foreign exchange forecaster. He has branched out, too, into property development, on a small scale - just "a few



menting the proposal.

tidad result forecast

of Diagnets Widens

PHShi

114300

THIS WEEK

taly's Red Brigrades terrorist move ment patented a chilling slogan in the 1970s: "Kill one to educate 100." This cold-blooded exhortation typified the Red Brigades' arrogant belief that they could accelerate the course of history and overthrow Italy's corrupt capitalism.

Today, two decades later, it is hard to believe that Italian society was forced to take seriously the inventors of such a language of hate. Yet between 1976 and 1980 the Red Brigades "executed", in the name of the oppressed masses, 96 people and wounded scores more - their most sensa-tional action being the kidnapping and murder of prime minister Aldo Moro.

The enormous prosperity generated during the 1980s, combined with a good dose of amnesia, has allowed most Italians to draw a veil over that grim period of terrorism known as the "years of lead".

Members of the Red Brigades are themselves either in prison or reformed, some re-inserted in society with new identities. But some still bear the scars as victims of this "war". Sergio Lenci, a professor of architecture at Rome university, actually retains a bullet in his skull. In 1980 he was shot at point blank range after being bound and gagged in his Rome studio by a leftist commando group composed of three men and a woman

They left him for dead and telephoned a newspaper claiming they had executed a ervant of the multinationals.

Echoes persist from 'years of lead'

Lenci question "Why me?" and went on to seek his assassins in prison after they had been arrested. He never got a satisfacanswer. although he was probably singled out

because he had designed Rome's notorious Rebibia prison. Confronted by him, the woman said she was sorry, as though she had merely stepped on his foot.

These experiences Lenci noted in a book, which inspired the script of a film just released, called The Second Time. The film was shot in the sombre grey light of Turin with a professor (complete with bullet in his skull) suddenly recognising his aggressor of yesteryear as she gets off a bus. He has made a shaky recovery from the trauma; she is on parole, working in an office by day, returning to prison at

Gradually the professor - rivettingly played by Nanni Moretti, Italy's cult actor-- engineers a confrontation. At

does not even recognise him, mistaking him for a potential admirer. When she does rea<u>lise his</u> identity, s<u>h</u>e has no answer to the "Why

their victims, writes me?" question. She is blank when he Robert Graham insists on wanting to know how the death of a minor academic would help undermine the state. The Brigatista can only say that she - and times - have changed.

On one occasion, when the professor pesters her, she threatens to call the police. This draws a sardonic comment from the professor, to the effect: "You used to kill people and hate the state, now you want the police." She does not even attempt an ideological justification of her past. It is left for the professor to recite the Red Brigades' texts. The sterility of these is underlined by seeing the professor repeating, mantra-like, "Kill one to educate 100", as he exercises on a cycling

machine in his study.

The message is bleak. The terrorists committed appalling crimes with ignorant

first the ex-terrorist fanaticism and are incapable of making amends to individuals, though perhaps they can to society. Nor can the victims achieve catharsis, as they cannot get inside the psyches of their aggressors.

Although a bit heavy handed, the film marks the first attempt on celluloid to come to terms with the relationship between victim and Brigatista. The issue is important because until now the terrorists - or ex-terrorists - have had the lion's share of the publicity and have painted themselves as victims of society.

Mostly from working class families or

lower middle-class origins with strongly Catholic backgrounds, they were the victims of the failed student revolution of 1968 and the stolid hegemony of the Italian communist party over traditional left-wing politics. Their violent (and criminal) actions were often rationalised as an understandable short-cut to re-ordering Italian society.

It seems Nanni Moretti accepted the part with the deliberate aim of identifying himself with the professor's predicament. With his films idolised by the left and regarded as politically correct, Moretti has, not surprisingly, stirred up controversy by belit-tling the Red Brigades' ideological baggage



and for attacking the Brigatisti for enjoying too much public airtime.

Alberto Franceschini, an ex-member of the Red Brigades who has dissociated himself from his past, criticised the film for its claim that victim and aggressor have nothing to exchange except banalities. Franceschini, who has written a book about his terrorist experiences, argues that it is precisely because the Red Brigades caused so much harm to society that they must

speak up. However, a proper understanding of the Red Brigades phenomenon is obscured by

the suspicion that the terrorists were themselves manipulated. Almost certainly the Brigatisti started out in the early 1970s as revolutionaries in the northern industrial cities with a genuine, though misguided, belief in armed struggle.

But enough evidence has accumulated to indicate that their cells were subsequently infiltrated by the security services. The latter had a vested interest in playing up the leftist threat to prevent the communists from winning the elections. The circumstances surrounding the Moro kidnapping have never been properly clar-

The suspicion grows that the prime minister was eliminated because he was proposing a government deal with the communists, against the interests of some politicians and elements of the Italian state. This point is made in the prosecution documents prepared by Palermo mag-istrates for the trial this autumn of former premier Giulio Andreotti.

Prof Lenci recently told a journalist he believed his would-be assassins had been sent either by people linked to the univer-sity or to the ministry of justice, or both. "Poor things," he said. "manipulated and

sent to kill without knowing why." If so, the terrorists were also victims: not of society but of their own gullibility. The final irony is that their actions, instead of accelerating change, made Italian society more resistant to change.

PEOPLE

acquisition, earlier this year, of

Boots' drugs operation. With phar-

maceuticals margins well below the

industry average, BASF has been criticised for doing too little too late

to establish itself as a viable drugs

tions, he says, but not until the Boots business has been fully inte-

grated, which will take until the

the prospect of pharmaceutical joint

ventures in the far east: a teaser

Having spent so much time out-

side Germany, he says he finds

many German attitudes parochial,

and tainted by too much comfort.

To drive the point home, he relates

the conditions he saw while work-

ing in Brazil to his own childhood

in post-war Germany.
"Food was not available. The hygienic conditions were bad. Heat-

ing was something which was only

sometimes available. Drinking

water was not necessarily clean and

quite often people actually fought

for wood in the area where we were

living," he says. Strube's message may sound emo-

tional. But his job, he says, is to

provide BASF with purpose, and to

It will be a slow way of gaining

strength after the triple blows of

German unification, new competi-

tion in Asia and the restructuring

of the chemical industry. But that is

Strube: a born traveller and interna-

broaden its horizons overse

that is typical of his global view.

In the medium term, he holds out

ut Strube is determined that the group should pace itself.
There will be more acquisi-

manufacturer.

end of next year.

DATELINE

Rome: The Red Brigades'

language of hate

continues to resonate for

Strube: steering BASF toward broader horizons

urgen Strube, the chairman of BASF, has made an art of delivering bad news since his appointment in 1990. Each time he has had to announce another setback, he has managed to inspire the belief that things can and will

get better. He may find it necessary to exercise that skill again on Thursday, when he presents the German chemicals group's third-quarter

Between 1989 and 1993, BASF's pre-tax profits fell from DM4.4bn (£2hn) to DM1.1bn, and its return on sales from 10.6 to 3.8 per cent, despite a 20 per cent cut in the workforce and a hefty restructur-

A sharp recovery since then was boosted by surging prices, which have now gone into reverse, setting up this week's results as a test of the group's resilience. If the news is not bad, thanks will be due to

In his role as BASF helmsman. Strube has broken the mould. His predecessors were all scientists, whereas Strube, with a law degree, joined BASF as a financial trainee. adapting quickly to the life of an expatriate manager and spending 15 of his 27 years with the company

He took over a hierarchical company, based mainly in Germany and dominated by commodity chemicals, just as the cost of both was being driven home. His response was a radical restructuring. He has, however, done more than square up to the expense of redundancies and to the group's cultural resistance to

Strube has forced BASF's management to start thinking and behaving internationally, a strategic shift that owes much to his powers of persuasion.

The company's single largest manufacturing operation remains

the company town of Ludwigshafen.



After 15 years abroad, Strube can find his colleagues rather parochial

But, says Strube, BASF's days as a German company are over. "I do not even consider it a European company. By 2010, our aim is to be

There is a simple rationale to this. BASF has long been bound by an industry cycle that can add or subtract 60 per cent to chemical prices in as little as six months: altering the balance of the group's global business is its best defence against future troughs, says Strube.

nder his guidance, BASF has invested heavily in overseas plants, cutting the proportion of its sales sourced in Europe from 77 per cent in 1991 to

72 per cent by last year. The company has also been diver-sifying into businesses which are less sensitive to the cycle - notably through a DM3.3bn investment in a gas pipeline network developed with Gazprom of Russia. The joint venture is expected to break even



ENi's Bernabe spreads the gospel of privatisation

Franco Bernabe, the chief executive of ENI, the Italian state oil concern, has been enjoying the rare pleasure of a public sector success story,

writes Robert Graham in Rome. Over the past three years he has piloted ENI through troubled waters to the point where 21 per cent can be privatised in the biggest ever Italian state sell-off. He is now on the ENI privatisation road show, drumming up support from international investors and explaining the transformation of the group, with 1994 profits of over

L3.200bn (£1.25bn). Bernabe, aged 47, is the complete opposite of all his predecessors in the job, who have usually been engineers with heavyweight political connections.

Initially Bernabe taught economics at Turin University. He moved on to a senior economist's post with the OECD in Paris, and then to Fiat, where he ran the automotive group's prestigious economic research department.

In 1983 he joined ENI as personal assistant of Franco Reviglio, a Turin economics professor who had taken over the group's leadership. He rose to be head of planning, and in 1992 managing director.

Then, in the spring of 1993. Giuseppe Cagliari, the chairman, was arrested on corruption charges, along with the heads of all the main subsidiaries. The discrediting of the

Jenny Luesby

old guard gave Bernabe the leeway to carry out the major rationalisation ENI needed. Despite his mild manner. Bernahe

has proved a tough manager. He has also convinced the sceptical oil men in ENI that he knows the oil business; and persuaded the politicians that he is neutral. For the moment he appears to have no intention of moving on. But his is a star to watch.

Proton taken into Yahaya Ahmad's stable

Quietly spoken Yahaya Ahmad enjoys life in Malaysia's corporate fast lane, writes Kieran Cooke in

Kuala Lumpur.

A British-trained transport engineer, Yahaya is on his way to be crowned the country's leading motor magnate following completion of a complex, highly leveraged \$700m deal which will see him take control of Hicom. the Malaysian heavy industrial

groud. Companies in the Hicom stable include Perusahaan Otomobil Nasional or Proton, the manufacturer of Malaysia's national car. Yahaya is buying his controlling 32 per cent stake in Hicom from Khazanah Holdings,

the state investment company. Still in his mid-40s, Yahaya is seen as one of a small group of *bumiputra*, or native Malay businessmen, who are being pushed to prominence by the government of Mahathir Mohamad to compete with the tycoons in the country's economically powerful Chinese community.

The bulk of his corporate dealings so far have been in the motor business. But one of his companies is involved in building Kuala Lumpur's new international airport. And through the Hicom deal, Yahaya will gain control of a bank to add to his other financial services operations.

Add in a waste disposal business. plantations, property development, oil field services and software distribution, and Yahaya controls a more or less complete showroom of Malavsia's corporate wares.

MUSIC

■ The battle to issue the biggest bumper box set in time for the Christmas gift market has begun in earnest with the release of La Divina Complete on EMI, a four-disc collection of Maria Callas arias and interviews. It is difficult to say anything new about Callas's singing, suffice to say that the three La Dinina collections contain moments of ravishing beauty, as well as some genuinely ugly sounds, especially in her later work. The fourth disc consists of a somewhat obsequious interview with Edward Downes from the late 1960s, which perfectly shows Callas's legendary intensity – and her total lack of humour.

From the same label, three new discs featuring the late Jacqueline du Pré to commemorate the 50th anniversary of her birth. One is a coupling of her famous performances of the Elgar and Dvořák cello concertos; the others pair Strauss' Don Quinote with Lalo's cello concerto in D minor, both unreleased recordings, and Delius's cello concerto with a remastered recital programme,

 Love Songs, on the Rocket label, is advertised as the "definitive" collection of Elton John ballads. At a generous 77 minutes' worth of schmaltz, it may well be the only Elton John album anyone needs to have, as his upbeat numbers have always struck me as a little puerile.

☐ When, how and why did "easy listening" become hip again? Has life become so frenetic that we need the soothing muzak of Burt Bacharach and The Sandpipers to help us along our way? Bacharach's debut album for A&M, Reach Out, and The Sandpipers' Guantanamero on the same label are both re-released to meet this annarently massive demand for elevator chill-out sounds. James Last can be but a couple of floors away . . .

FT GUIDE TO THE UK'S DISABILITY DISCRIMINATION ACT

I hear there will be another demonstration at Parliament this week by disabled people. Hasn't the government just passed a new disability law?

That is the problem. The Disability Discrimination Act is due to go on the statute book this week, but many people, including most of the disabled lobby, feel it doesn't go far enough.

What's the law meant to do? Essentially, make it illegal for an employer to discriminate against disabled people at work or for businesses to discriminate against disabled customers. For Britain's 6.2m disabled people, especially for the 3.8m of working age, it's a long overdue recognition of their right to live as normal a life as

Very noble. But what are the implications?

Hard to say. Businesses with fewer than 20 employees are exempt on the grounds that forcing their compliance would probably prove too costly; everyone else will be required to make "reasonable adjustments" - to offices, shops, factories - where physical or administrative barriers are perceived to have discriminated against disabled people. It will also be illegal for businesses to refuse to serve disabled customers, and any direct discrimination against people with disabilities will be outlawed. To confuse matters further, the law will not apply to those with "substantial impairment."

Sounds a bit like the EU social chapter that the UK has opted out of. Are Brussels' bureaucrats at

No, as it happens. The UK is the first country in Europe to enact this type of legislation, although the US and Canada have laws already.

It all sounds costly. What's the bottom line? American research into the costs

of their own act, which is much tougher than Britain's, suggests that in 88 per cent of cases making "reasonable accommodation" for disabled employees to perform their jobs costs less than \$1,000 per person. The UK government expects the average cost of "rea sonable" adjustments to be about £200 per employee.

But it could be much higher if the government, which currently pays for adjustments needed to enable disabled people to do jobs under its Access to Work scheme, decides that under the new law it can pass some of those costs to business. Making use of specialist groups such as Blind in Business, which have experience in matching companies with disabled employees, could help defray

Doesn't sound too bad. So what has the debate been about? Are employers still clashing with groups that represent the disa-

No. Many big businesses have joined in criticising the act on the grounds that it doesn't go far enough and is vague. The chief problem is the National Disability Council that is due to be set up to monitor the legislation. It is supposed to be analogous to the Equal Opportunities Commission and the Commission for Racial Equality, but will have fewer pow-

ers and less money than either. As things stand, it will have a total budget of only £250,000, far less than the £6m and £15m going to the other two bodies respectively. And, unlike its counterparts, the NDC will not be autonomous or have exclusive authority in the area of disability: it will be complemented by the existing National Advisory Council on the Employment of People with Disabilities, which will continue to oversee the employment-related part of the legislation.

Both bodies are empowered only to advise respective ministers; they are not able to commission their own research on the strength or weakness of existing

services or the effectiveness of legislation when it comes into proc-

Potential for confusion, then? That is only part of it. Unlike ethnic minorities or women, there's no clear definition of who qualifies as disabled. As things stand, for example, progressive conditions like cancer and multiple sclerosis will be covered, but people with a history of mental problems will

Different disabled groups have different needs. What is helpful for the blind may not suit the deaf, while the physically disabled have different requirements altogether. Add to that the way in which previous legislation for the disabled has been cobbled together over the years and the result is that the Departments of Health, Social Security, Education and Employment - even Trade and Industry - are all responsible for some programmes that affect the disabled, while a huge array of lobby groups, from Mencap to Scope, have their own constituencies to answer to.

Bit of a mess. Can it be fixed? Probably not at this stage, though some business-related lubby groups are working hard to get the legislation changed. Most prominent is the Employers' Forum on Disability, which has more than 140 corporate members, including some of the UK's biggest companies, and has put together its own "agenda for disability" which gives clear guidelines for

It is trying to persuade the gov-



Access long overdue: disabled

a central body that would co-ordinate all the bits of disability legislation - under a disability rights commission with clearly defined responsibilities and a larger bud-

Why won't the government do it? Because it still feels that disability legislation is not really comparable to race and gender legislation. for example, and does not merit clear guidelines. It is also still worried about potential costs, and claims that an umbrella organisation would be an unwelcome "centralised, bureaucratic, monitoring and policing body."

Interestingly, though, that stand might have cost the Conservatives a seat in parliament: Alan Howarth, the Tory-turned-Labour MP for Stratford-upon-Avon, had been highly critical of the government's reluctance to tighten the legislation

So we've got to wait and see? Yes. If nothing else, disabled pro-testors should now have easier access to parliament. Westminster itself is subject to the legislation. and will soon have to make its own "necessary adjustments."

Mark Suzman

les Echos

Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world.

For information on rates and further details please telephone: Toby Finden-Crofts on +44 171 873 3456

CONTRACTS & TENDERS

"RAB INVEST" Institution for Environment Preservation

CROATIA

officially and publicly invite applicants for

PRE-QUALIFICATION for the applicant's certificate of being adequate to allsation to the ecological programme of the island of Rab, Croatia

 The applicant's subject is: sewage system of the Island of Rab (main sewer, treatment plants, submarine drainpipe),

waste of municipal rubbish. The applicant's file

an get the applicant's files at the address below (see item 4).

The offer should contain applicant's name and address

terms of payment and settlement method own stere in Engineing

possibilities and terms of down payment ecological programme reterences in last 5 years

after time-limit for the submission of the offer.

all data in keeping with the applicant's files. The offer should be delivered in closed envelope with note "The offer fire oner sected on ourvired in ocean enterprise for pre-qualification* to the following address:

RAB INVEST, institution for Environment Preservation,

Biskupa Draga 2, 51280 RAB, Crostia. Time-limit for the submission of offer is 30.11,1995 until 12.00 o'clock. Investor will inform applicants about results, not later than 90 days

FILM/VIDEO



Living In Oblivion: started as a short, then grew to 90 minutes

Funniest film of the week possibly the year, is Living in Oblivion. This is a comedy about things going wrong on a movie set, which may prompt you to think you see enough of the results of that without viewing the process. This week alone brings To Wong Foo, a drag comedy in all senses starring Patrick Swayze, and a fey lesbian romance from Canada, When Night Is Fallino.

Living In Oblinion has no pretensions. Made by low-budget US director Tom DiCillo (Johnny Suede), it started as a short, then grew to 90 minutes. En route it gathered its cast of cherishable crazies, from the neurotic young director (Steve Buscemi) to the certifiably vain leading man (James LeGros) to the love-troubled actress who, in the film's finest set piece. fluffs seven preciously prepared takes in a row.

As a satire on movie-making, it

ranks not far below The Last

Tycoon and Singin' in The Rain.

And look carefully - it may also

have the most impudently extended

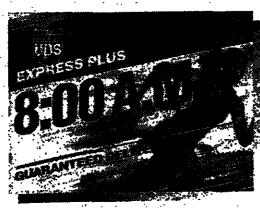
dream sequence in modern □ Unless we count the 39th London

film festival: an hallucination spread over a fortnight. This sk's viewing tips include the Irish Troubles drama Nothino Personal; three haunting Oriental epics, Shanghai Triad, Blush and The Day The Sun Turned Cold; the gloriously OTT Anglo-Russian shocker Mute Witness; the new Woody Allen, Mighty Aphrodite: and Portugal's prize winning God's Comedy, which explains – in case you didn't know it – the link between sex, ice cream and Richard

■ There is nothing so momentous on video. But those suffering Halloween withdrawal symptoms can go and buy five just-released blood-curdlers: Interview With The Vampire, Legend Of The Werewolf, Piranha II, Wolf and Frankenstein. Happy haunting

FINANCIAL TIMES MONDAY NOVEMBER 6 1995





As the Olympic year approaches, and the world makes its way to the United States to determine the strongest, most agile and surest of foot, the fastest way to most major cities across the USA for express documents and packages is already a matter of record - UPS Express Plus.

Guaranteed delivery by 8.00am or your money back. It's no wonder we're the OFFICIAL EXPRESS DELIVERY COMPANY OF THE 1996 OLYMPIC GAMES.

We're up and running before anyone else.



As sure as taking it there yourself.

For UPS Express Plus service and guarantee details please call 0800 456789.

MANAGEMENT

Japan and China offer fertile ground for joint ventures, provided they are handled properly

Principles of a profitable alliance

oreign commercial diplo mats in Tokyo admit to marvelling at the number of potential joint ventures with Japanese compar es that never get off the ground. All too often, they complain, prospecting western partners shy away because Japanese management practices are thought to be too different to justify the risk of doing business in one of the world's most expensive countries.

The truth, according to David Davies, chairman of the British precious metals technology group Johnson Matthey and a Japanese ioint venture veteran, is that the principles of a successful alliance are much the same in Japan as anywhere else. Japan may not be as unique as usually portrayed.

Davies's view is based on his experience of one joint venture that ended in an amicable partial separa-tion and another that is exceeding both partners' targets, just over a

year after start-up.

One lesson he has learnt is the importance of control. "If you can get management control – by which I mean the CEO - that is worth its weight in gold. But first, there must be a real - rather than perceived community of interests. Then you must have a divorce mechanism. because that community of interests is not going to last forever. There must be some way of being able to progress, to look beyond the next five years," says Davies.

Another observation is that the technique for bridging the cultural gap is much the same as anywhere else: hire a bilingual local director who commands both sides' trust.

Personal relations between directors on both sides, though, are more important than in the west. Davies visits Japan at least twice a year to meet and to discuss strategy with his opposite numbers at his new partner, Mitsubishi Chemicals.

estern companies are moving to exercise stronger direction over their China joint ventures, according to a study carried out by the Centre for International Business and Management (Cibam) at Cambridge University. The study into 67 Sino-foreign joint ventures located in the electronics and fast-moving consumer goods sectors suggests that Chinese partners are usually willing to accept foreign leadership, particularly when they consider the joint venture is meeting their needs for a transfer of technology, expertise and financial support.

The research points out that: Whatever their legal constitution, these joint ventures are not marriages between equals. Chinese partners generally lack technical, marketing and operational skills, and do not therefore have the abil-' to provide managerial leadership. These are the very competences they are often seeking to acquire from partnerships with foreign companies.

• Foreign companies are seeking overall joint venture control to protect their investments, especially to sions, including a joint venture's marily to provide security for for-



The UK group first put its toe in the Japanese joint venture water in 1969, when it formed an equally owned alliance with a family-owned precious metals dealer, Tanaka Kikinzoku (which had management control). This suited JM's tradi-

and other orecious metals to industry. Since then, however, JM has diversified from its core business into higher technology areas, such as platinum car exhaust catalysts and exotic alloys for the electronics

By the start of this decade, JM had nearly 40 per cent of the world catalytic converter market, but less than 10 per cent in Japan Clearly. the joint venture was unable to help in this new JM area, but that does not mean it had failed, stresses

egy had changed. The answer, felt Davies, was to go it alone and build a technical centre near the main Japanese car producers' R&D units, to design converters for use in their exports and overseas factories.

It was vital, recalls Davies, to

maintain good relations with Tanaka, which was to continue as JM's sole Japanese distributor of platinum, an important business for the UK company. There was no divorce mechanism in the Tanaka venture, so JM had to rely on the diplomacy of a former JM chief executive who had known the Japanese company for many years and negotiated the

partial parting.

JM chose a Japanese - Yuichi Katoh, a Harvard business school graduate - to run its new standalone catalyst operation. His previous senior jobs at a string of US banks have qualified him to bridge the cultural gap with staff and cus-

Under Katoh, the Kitsuregawa centre this year hit its target 12 months early - to double the UK company's share of Japanese car makers' worldwide purchases of cat-

alytic convertors to 16 per cent. JM was not even thinking of reentering a Japanese joint venture when in 1992, it was approached by Mitsubishi Chemical, Japan's larg-

est general chemicals group.
Mitsubisbi was seeking quick access to JM's technology for making titanium sputtering targets, used to deposit a thin metal film on semiconductor chips to control electrical properties and heat. The Japanese group already makes aluminium targets, the main technology in a tiny Y200m (£1.3m) Japanese market, of which it has a 30 per cent

Titanium, however, is expected to replace aluminium targets in the next few years, and JM had the supplier of high purity titanium, Alta, a US-based metals company. In return, the Japanese group was prepared to offer its partner a man-ufacturing facility and use of its extensive distribution system.

What also told in JM's favour was that "making money did not seem to be their first priority . . . they were also interested in making a contribution to giobal society", says Hideo Watanabe, Mitsubishi Chemi cals' managing director for corpo-rate planning. When pressed, he finds it hard to define what that means. But he admits that basic trust - held by a series of manage-ment studies to be the vital feature of a successful joint venture - has

much to do with it. Mitsubishi thus accepted JM's nomination of Katoh as chairman effectively chief executive, of the new venture, Ryoka Matthey.

Simon Slattery, the new joint venture's finance director, the only foreigner among the 57 staff, adds: "Katoh was able to convince the other side that we are not an ugly gaifin [western] company about to come in and sack all the workers." Even so, negotiations took two years. An especially tough point was which side would take control. Mitsubushi, maintains. Watanabe, was happy to hand effective management control to JM, as a gesture to its expertise in titanium. Ownership required "serious discussions", he says. In the end, they agreed on a 50-50 split, to be reasse years after startup, in 1999.

After the painstaking initial negotiations, Ryoka Matthey has harmoniously outperformed. In its first year to last June, it produced a Y243m operating profit - 22 per cent above plan – on Yl.9bn sales, What happens next, as in any joint ven-ture, is unclear. But most important, both sides know it.

William Dawkins

ability to determine the quality of : the joint venture management process. It also creates active personal links within the parent company which enable its senior management to learn from the experience of operating in a relatively unfamiliar and difficult environment. · Focus control on areas that are

both key for the business and where foreign expertise and experience are

• Above all, use the rights and powers of ownership to manage relationships. It is essential to approach these in a non-confrontational marmer. In China this is a condition for accepting the contribution and authority of foreign management. Sending high-profile personnel to China, moreover, is interpreted as a positive gesture.

John Childs

text. Legal contracts tend to have a The author is a professor at the Judge Institute of Management • Involve foreign staff both in Studies, Cambridge. Further inforheading key functions and in the mation on CIBAM from Trumping-

Haddall .

FAST TRACK

Colleagues Group

A UK advertising company without an advertising type in sight, no ambition to collect creative awards, no minimalist London premises: the formula sounds impromising, but Colleagues Group makes a virtue of these attributes, and even boasts a statistician and engineer at its helm.

The company's particular advertising niche is anything connected to direct communication with customers. For example, it handles the bulk of mailings to policy holders for Sun Life, the insurance company, processes answers to ments for Reader's Digest and Consumers Association, and looks after advertising leaflets placed in phone books. Work for mail order and holiday companies, as well as charities that use direct marketing, make up much of the rest of its activities.

Last year Colleagues placed 750m inserts in publications and produced and despatched over 30m items of direct mail. The group even has its own database of nearly 14m names.

The company would take offence at the junk mail tag, for it has invested heavily in the most sould sticated technology to minimise the kind of errors that irritate consumers most getting names wrong, bombarding households with numerous versions of the same offer and, most distressing of all, addressing cheery personalised communications to copie who have died.

- Colleagues was founded in 1987 and valued when it floated earlier this year at £26m. Just over half of the company is owned by staff and directors. Turnover has climbed from about £6m in 1990 to over £36m last year, with pre-tax profits for the first half of this year standing at £1.6m. A recent acquisition has pushed staff numbers up to about 100. The group is now one of the

argest operators in a sector

 $\Phi_{\mathcal{M}}:=\{1,\cdots,M\}$

which shows significant promise. Leaps in database technology have come at the same time as finance directors are demanding greater accountability from advertising spending - and one of direct marketing's virtues is that it lends itself more easily to measurement than just about any other form of advertising. This is where James Robson. Colleagues founder and chairman, comes in. A statistician and engineer, who started his working life with the shoe company C&J Clark and progressed to becoming a director of Damart, the mail order thermal underwear people, Robson loves to measure, evaluate and hone systems to extract the last ounce of efficiency and economy. Clients have to shape up, too. We need to work with people who are very decisive, who know what they want and what we can give them, be says. Every client receives their instructions each day. Computerised lists of tasks act as a reminder of what needs to be done if deadlines for a mailing are to be met. At Colleagues' offices in Bath, every employee gets a

corresponding daily schedule of tasks to be accomplished.

ween Robson is unabashed: "We don't go out to who creative

prizes. What our clients want is

It is enough to make a creative advertising genius

a very solid approach."

Diane Summers

Exercising strong direction

prevent technology leakage, the compromising of product quality and threats to brand integrity. Many larger international companies with several China joint ventures need to co-ordinate these to secure potential economies of scale

and shared facilities.

 Most Chinese joint venture partners are state enterprises, subject to the guidance of government authorities which can be resistant to new practices and systems. This is particularly the case in the personnel area, when an attempt is made to introduce modern practices such as performance-related incentives and competitive pay levels, and in marketing. Foreign direction may be ry to overcome archai (to the Chinese) lucrative distribution arrangements.

The study identifies four significant levers of control. Foreign majority equity share gives control over key policy deci-

strategic priorities, re-investment policy and profit distribution. It also bolsters a parent company's influence over key managerial appoint-ments in a joint venture, namely its general manager and the heads of significant functions.

The nomination of the general manager and the heads of certain functions increases a foreign parent's control over a wide range of joint venture decisions. These appointments are by no means wholly determined by equity share, and can therefore be negotiated separately. The right to appoint to given management posts can be specified in the joint venture contract. Having a foreign general maner heading up finance enhances foreign influence in the large major- management, such as purchasing, ity of joint ventures. In the electronics and fast-moving consumer goods sectors, technology and marketing directly enhances foreign influence are respectively key competences.

eign technology, to guard against leakage, to guarantee standards and to secure an income stream from royalties. They are also used to protect brands. Providing resources under contract can therefore assist foreign control over key parameters, though the enforcement of contracts remains a problem in China.

Non-contract support is provided without any contract or fee, and includes product know-how, production-technology, marketing assistance, management systems and training. The provision of non-contract support by China joint venture parent companies on an on-going basis adds appreciably to the influence they possess in many areas of joint venture operation production, quality and sales/distribution. Non-contract support in the core joint venture manage-Legal contracts are intended priment process and is an important lever for control.

The control leverage of non-contract support is enhanced by the traditions of Chinese society, which favour trust-based and long-term business relationships. The significance of non-contract inputs derives, at least in part, from the way they demonstrate the foreign investors' commitment to this kind of continuing relationship (guanzi). The Cibam study suggests compa nies seeking to enhance control and direction in the management of their China ventures should: Acquire a majority equity share, and preferably a substantial majority such as 75 per cent.

• Rely less on the legal rights embodied in equity and contracts negative connotation in China. but it significantly increases the

provision of continuing non-con-tract support. This may be costly Tel (0)122 333 9616. Fax (0)122 333

Thin skins retreat from the City's

ard Branson, Alan Sugar, Andrew Lloyd Webber and now Anita Roddick have all got fed up with the stock market. These entrepreneurs each seem to have reached a point where the very sight of a teenage scribbler or besuited fund manager has become abhorrent to them. They have decided that they have neither the time nor the energy to deal with their demands and constraints: they have felt badly treated, misunderstood and have wanted out.

Yet I wonder if there might be another element at work. Roddick and Co are the Stephen Frys of the City, they have discovered that the flip side of fame is an undue amount of criticism, and they have experienced how beastly that can be. All these four entrepreneurs are thin skinned, and each has a tendency to go off the deep end at the slightest criticism, let alone the fullfrontal attacks that each of them

There is a lesson here for compa-

nies seeking a listing. Like lambs to the slaughter they go flocking to the market in the happy knowledge that a quote will raise their company's profile. Yet publicity has its the business is going well, but at the slightest sign of any difficulties the City will make mincemeat of them. And if they are not prepared for that they should think again.

On the subject of Stephen Fry, or acting in general, management seems to be turning to the theatre to cast more light on its own dingy discipline. For some time managers have relied on sportsmen for help (or rather sportsmen have relied on managers to get their cheque books out in return for a session with their heroes). But now the focus is shifting to theatre. I have just received some bair-raisingly preten-tious publicity material from Harbridge House, the training arm of

Coopers and Lybrand, which bris-



low's book, Being an Actor. "There are two themes of drama which we consider to be highly relevant: rehearsal and role play," says the consultancy. It goes on to complain that managers today do not rehearse enough, as they are fright-ened of looking silly in front of their colleagues. The idea is that management development programmes fill the gap by offering what the consultancy calls

"rehearsals for life".
Possibly doing a bit of role play with an out-of-work actor will help you prepare for that difficult meet-ing with a client. However, what

tles with references to Simon Cal- interests me is why managers are so unconfident as to be endlessly searching for analogies and lessons from other disciplines. I fully expect the next fad to be gardening. With all that talk of planting and growing, I can just see it.

> My number one rule is never to do business with friends. Do not sell your car to a friend. Do not buy your friend's house. Do not let your solicitor friend act for you. Do not let your carpenter acquaintance build your kitchen units. From personal experience I can tell you that

this way is a disaster. When things start to go wrong, you have a choice: accept a lonsy deal in the interests of friendship, or insist on redress at the risk of losing a friend. Thus I was surprised to see the latest survey from BT which sets

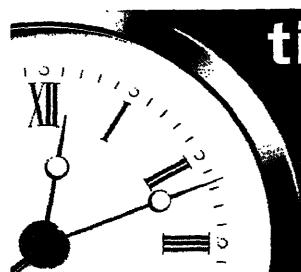
out to prove that friendship is fundamental to business. Apparently, three quarters of managers have either done work or accepted work from a friend at least six times in the last year.

Showing genuine imagination BT has used this data to market a new phone service that gives companies cheap rates on their 10 most frequently dialed numbers. The survey tells us that increasingly managers like to build up close friendships over the phone - rather than over lunch - and that they enjoy nothing better than phoning each other for a cosy chat. In the unlikely event that this is true it offers a perfect solution to the problem of overwork and long hours that all managers are labouring under. If they spent

mixing business and pleasure in less time gassing on the phone, they would have more time to get the job done and go home on time.

> I heard on the radio the other day that research has been done into the words that sell products. These turn out to be: sex, free, new and

Gemini Consulting has taken the lesson to heart in its latest magazine with an article called Corporate Sex Change. Needless to say, I went straight for it, ignoring other articles on Efficient Consumer Response and the Virtual Corporation. Imagine how disappointed I was to find myself wading through a discussion of activity-based cost-ing and business process re-engi-neering. However, I read to the end of the article and was eventually rewarded by a most pleasing - and plausible - conclusion: that if most companies were run by women there would have been no need to invent ABC or BPR.

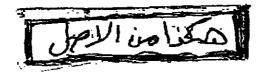


time is your most valuable commodity

When your customers need assistance, they need it fast. We can help you provide an instant response. The benefits of Mondial's substantial resources and comprehensive worldwide coverage are immeasurable and seamless. Tailor-made customer care services can be administered on your behalf and branded in your company's name. Our experience covers medical, legal, motoring, financial, insurance and travel markets, Total assistance with practical solutions to real problems, 24 hours a day, 365 days a year. We supply the service. You reap the benefits, Call Ailsa Macdonald on (+++4) 6181 681 2525.

Mondial House, 1 Scarbrook Road, Croydon CR0 18Q

MONDIAL ASSISTANCE



BUSINESS EDUCATION

Della Bradshaw asks whether the financial framework encourages managers to study for an MBA

Pushing through the crowds

he heady days of the 1980s, when brash young men and women could command vast salary premiums for completing a master of busi-ness administration (MBA) course, are now over. Nevertheless, it is still worth your while to study for an MBA.

"It's not the old glory days," reflects Roger McCormick, director general of the Association of MBAs (Amba), which publishes its review of MBA salaries and careers this week.
"I think the significant thing from the latest survey is the sense that long-term professionalism has come to the fore rather than short-term gain."

According to the survey, those completing their MRAs in 1994 reported an average increase in salary of 28 per cent. Impressive though this sounds, it is meagre compared with the increases of nearly 57 per cent that MBAs reported between 1980 and 1985.

The latest survey shows a sustained increase in salary with experience, with the highest salaries going to those between 51 and 55 years of age. (The median salary for employ ees with an MBA is 239,000.) And nearly half the respondents - 1,996 graduates resi-

 $|\phi_{i}\rangle_{i} \leq M$

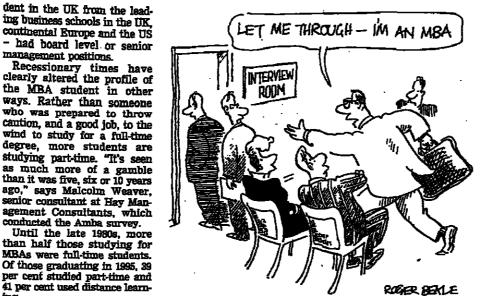
dent in the UK from the leading business schools in the UK continental Europe and the US - had board level or senior management positions.

Recessionary times have clearly altered the profile of the MBA student in other ways. Rather than someone who was prepared to throw caution, and a good job, to the wind to study for a full-time degree, more students are studying part-time. "It's seen as much more of a gamble than it was five, six or 10 years ago," says Malcolm Weaver, senior consultant at Hay Management Consultants, which conducted the Amba survey.
Until the late 1980s, more than half those studying for

per cent studied part-time and 41 per cent used distance learn-From the point of view of the employer, which often contributes to tuition fees, the investment appears very worthwhile. Sixty-five per cent of graduates described their courses as

MBAs were full-time students.

extremely relevant or very relevant to their jobs. There is more good news for employers. These days students who graduate with MBAs are more likely to stay



with the company than head for pastures new in search of higher status and more cash. Sixty-one per cent of those employed while studying for an MBA remained with their existing employer for at least a year after graduating, compared with only 56 per cent from the 1992 survey. However, for those who do

change jobs the trend is well-established: away from manufacturing and construction and towards finance and consulting only 5 per cent of the respondents worked for consultants before their courses, while 16 per cent did so afterwards, with management consultants ever anxious to snap up all the best graduates.

he cost of studying for an MBA course can be off-putting - an average £6,000 to £8,000. But while management students in the rest of Europe, North America and Japan can offset the costs of their course against tax, the British student is unlikely to get such a perk.

The problem is particularly acute in the small to mediumsized business. Anyone who is self-employed and wants to go on a management training course can only claim back the tax if they can persuade the Inland Revenue that the course updates old skills. If new knowledge or skills are acquired - hopefully the case for those studying for an MBA - then tax must be paid, some £2,000 for those paying tax at the standard rate.

McCormick describes the situation as "absolutely

"Debating this sort theology is absolutely deplorable: it looks through the wrong end of the telescope. Everybody is thinking about tomorrow's skills, not today's." McCormick is particularly vociferous about the tax issue because he believes the

legislation goes against the government's policies on

supporting small business. Also it is financially shortterm, he argues.

He says that MBA graduates accrue higher wages and higher profits for their companies. In the long run this would mean more taxes for the Inland Revenue.

For MBA students who are employed within a company the situation is equally

If the company pays for the course then it can claim the cost against tax. If the individual pays then he or she can only offset the tax if it has the status of a national vocational qualification or, in certain cases, for full-time external training courses which last for at least four consecutive weeks. Most MBA students fall through the

net. McCormick believes that the introduction of tax breaks would encourage more managers to study for MBAs. "It's been my experience that managers place exaggerated

emphasis on tax breaks More important, he believes, is the signal the government would send by giving the tax break. "It would be an important indicator over and above the money.

Quantity and quality move hand in hand

Undergraduate business courses are increasing in both quality and quantity, according to a survey among the deans and programme administrators of 31 US undergraduate courses. Nearly 70 per cent of

respondents reported that the number of applicants was increasing, with a 26 per cent rise in the figures since 1992. Students gaining places in the schools also had better academic qualifications than in previous years.

The survey was conducted by the Kenan-Flagler Business School at the University of North Carolina. Kenan-Flagler: US, 919 962

Proficient managers eam a diploma

A diploma in general management has been developed by the Ashridge Management College in the UK to recognise the range of management skills attained by managers on its executive development programmes. The diploma, which is

validated by the City University, London, is for managers with at least five

years' experience and can be taken over one to three years. The diploma starts with a two-day workshop at Ashridge followed by accredited programmes and assignments, Assessments are also included. Ashridge: UK, (0)1442 S43491.

Cash fillip for executive centre

The Darden graduate school of Business Administration at the University of Virginia has just received \$10m (£6.3m) to establish an executive education centre the largest cash gift in the university's history. The money has been given by Thomas A Saunders III, a former Darden student. Darden: US, 804 924 7481.

Forget Pennsylvania. welcome Paris

The Wharton School of the University of Pennsylvania has appointed François Balsan as acting director of the school's European office, based in Paris. A former undergraduate at Wharton. Balsan will handle alumni relations, fund-raising and executive education. Wharton: France, 1 4747 6335.

INTERNATIONAL

Consumer Govd.
The 4th Int. Exhibition provides an evcellent opportunity for offering your products to the right potential partners buyers, sellers and associations - from every sector of the non-food customer good market. For details please contact the Moscow-based exhibition organizer 'Expectents, ZAO'.

Fax: 007 095/205 of 55 Tel: 255 37 32

MOSCOW

Programmes includes the snacking culture

America, South East Asia, Speakers

represent manufacturers, supermarkets

AMSTERDAM

ROME. ITALY

MADRID

equipment suppliers, research institutes

IT, D.A. DSM, Telecommunications

for IT, DA, DSM, Telecommunications in

electric and gas utilities. Over 100

monocium for Arab utilizies on November

19&20. Many high level Arab utility

Tel: 31-30-650963 Fax: 31-30-650928

Financial Services Conference for

Eberia - "European Practice and

Programme to include: Show ase Iberi

participation of all leading Spanish

The Economist Contentions

JULY 2 - 6

Byt I Moda-96

NOVEMBER 20-21

First International

Biscuit Congress

NOVEMBER 21-23

Contact: DA/DSM Europe

NOVEMBER 27-28

Present Day Thinking"

Tel: (353-1) 6718022

CONFERENCES & EXHIBITIONS

EUROLEASE '96: The European Dimension CONFERENCE: London.4-6, Frankfurt 7-8, December 1995

- Identify new business opportunities Network with key decision makers
- Gain insights into the Central and East European leasing industry
- Meet key members from the European
- leasing associations Forum for equipment manufacturers and lessors/lessees to discuss new contracts .
- Supported by the Finance & Leasing Association, and BDL, the German Leasing Association
- Conference opened by Tony Jukes, Chairman of the FLA, and Klaus Feinen, President of BDL Other speakers include EBRD, KPMG, White & Case, Consulter SA, Secar.

To find out more, contact Ali Haidary on Tel: +44171 924 2980 or Fax: +44171 924 2991. Eurolease '96 is organised by MEC Conferences in conjunction with Ewitt Largo International

NOVEMBER 7-9 TCS & D95-The Temp Controlled Storage & Distribution **Exhibition and Conference**

tickets contact: Nicky Molloy, FMJ mai Publications Ltd. Tel: 01737 763611 Fax: 01737 761685 G-MEX, MANCHESTER

NOVEMBER 11 & 12 The National Classic Motor Show NEC Birmingham Iron us at the "Friendliest Classic Car Show

Action Rebuild - Many Special Fea Ticket Hotline No: DI21 767 4767

Centre Exhibiti Tel: 0121 767 3536 Fax: 0121 767 3535

NOVEMBER 13 DTI Conference

Contribution of Aerospace Technic the Economy. Royal Aeronautical Soc London W1. Two major DTI sponso

set: Conference Office

Tel: RAcS 0171 499 3515 Pax: 0171 493 1438

NOVEMBER 13-14 Global Emerging Mario Investment Managen Conference & Companies Forum

LONDON

trends in both emerging equity and debt markets. The conference will include specialised regional portfolio investo witshops and 16 company pro Contact: Arielle Savons, Dow Jones Telenate

Tel: +44 (0) 171 832 9737 Pax: +44 (0) 171 353 2791 LONDON

NOVEMBER 14-16 Public Sector Purchasing Conference and Exhibition The Rt. Honographe Roger Preeman MP,

be opening PSP'95 with a keynore address. at 10.45am on the 14 November. The exhibition will feature a fully comprehensive range of good and services

Tel: 0171 582 9191 OLYMPIA 2 - LONDON

NOVEMBER 14-16

The UK's premier show for processing packaging machinery. Over 200 radiculture representing 500 interes nachine manufacturers. Equipment to process and pack food, pharm cosmetics, chemicals, beverages, confectionary etc. Daily seminar on CE ark regulations £15. (includes hanch). For tickets phone Metinda Scales:

Tel: 0181 681 8226 Fac: 0181 681 1641 Wentbley Exhibition Centre, LONDON

NOVEMBER 14-17 Bonds, Bond Futures & Bond Derivatives

This intensive 4-day workshop examines the full range of bond and bond-related Practical Exercises. Limited delegate

Contact: BRI Financial Tra Tel: 44171 637 4383 Fex: 44 171 636 2330

International Capital Markets - A fully residential 14 day intensive train knowledge of all investment banking produces. Comprehensive course now in its 10th year and includes: basics of money swaps, futures and options hedging

£6000 phes VAT 0171 779 8780 for more linfo

NOVEMBER 17 **Annual Reports**

This Investor Relations Sci

your Annual Report. Current ASB standards, Greenbury and Cadbury requirements, internet and beyon Industries and design houses. Contact: Bass Associates Tel: 0171 629 6009 Fex: 0171 629 5669

LONDON NOVEMBER 17 - 19

ACI intro and Diploma course reckend (Pri pan to Sim pan) resi ates for De naminations. Highly participative course WINFOREX a new PC based study aid designed specifically for the s, GBP 775.00 + VAT, incl. 2 tion. Croydon Park Hotel.

CROYDON

wood David International Ltd.

Tel: UK 44 (0) 1959 565820

Pase UK (0) 1959 565821

NOVEMBER 20-21

Complaint Management Featuring Ros Gardeer, former man e services at M&S, this event will explore how organisations can improve their flexibility and responsiveness at the customer interface through empowering the workforce and equipping them with skills to deal with and remedy co IBC 0171 637 4383 .

LONDON

Central Banking programme, capital markets, the mational financial system, derivatives and gold are discussed by German Chaves. Lconhard Gleake, Tom Main, Douglas Harris, Miklo Wakatsuki and others. sors: World Gold Council, Barcleys Bank - Chobal Precious Metals.

Contact: CityForum Ltd. Tel: 01225 466744 Per: 01225 442903

NOVEMBER 21 IPPR/One Day International Conference - Hard Choices in Healthcare Speakers include: Barries Rarman MP. Prof. un to 4000 delegates.

Bayley MP. With contributions from EU Details & Booking 0171 222 1280

Page 0171 222 1278

NOVEMBER 21-22 Evaluating and Menaging the IT

Why spend on information technology This seminar is intended for both business and IT managers wanting to justify It will outline the business benefits, costs and risks associated with IT tow Contact UNICOM Semis

01895 256 484 Fee: 01895 813 095 LONDON

NOVEMBER 21-22 Performance Measures This conference will take the delegate brough a structured learning programme showing how to implement and operate

sses critical to the success of the company. Includes case studies from a oed range of companies. Por depille contact Sareh Williams LONDON

NOVEMBER 21-23

Getting more from your Rallway RAILTEX 95. Topics include: ◆ traffic gh costing, charging and planning: • erieting infrastructure: • new systems for merivity with safety. Enquiries: ICE ee Office, Tel: 0171 839 9805

WEMBLEY CONFERENCE &

EXHIBITION CENTRE installing and Operating nme Managemeni

used to direct, control and imple will explain what is involved and the benefits that accrue from its use. The implement a Programme or Project Support Contact UNICOM Sentiners

01895 256 484 Paic 01895 813 095

LONDON MOVEMBER 22-24 Securities Settlements and

Global Custody Covers the most important aspects of securities settlements for debt and equity strictes in international and UK market

plobal custody market. Introduction to Securities . Corporate Actions . The Investment Cycle - The pre settlement process - Settling and other - The role of the Settlements Department . Bond Industry initiatives - Operations neriormance · Global custody. pan Tel: 0171 628 8444 Pac 0171 628 7818 .

To sleep : perchance to dream...? NOT in presentations created by Tel: 0171 251 1525

We're famous for our facilities Many renowned organisations choose Call Kevin Sheehan, Director

the BIC for conferences and exhibitions. These superb, purpose built facilities and friendly helpful staff ensure your function runs smoothly and successfully - Ideal for

Conferences · Exhibitions · Seminars · Meetings

Rexible Working

This conference will give a practical and strategic view of flexible working pies in Europe. It will reveal resulti of new ground breaking studies as well as give concrete case studies from large and small organisatio

IBC 0171 637 4383

FT Financial Reporting 1995 ant developments in the field of this one-day conference - the fifth in an annual series - a must for account

both practice and industry. Tel: 0171 814 9770 Fee: 0171 873 3975/3969 LONDON

Strategic Positioning of Personnel/HR Management

Meet other leading practitioners at the 1995 speakers and round-table discussion group shmerking Ratios and Statistics will be and £195 incl. VAT per person. Consultants Tel: 0171 242 3665 Pax: 0171 242 3885 LONDON

NOVEMBER 27 **GMBYoung Members** National One Day Conference "The National Minimum Wage How It Should Apply to Young

GMB. Ian McCarmey MP, Shadow Spokesperson on Employment, Held at TUC tichets available - please call 0181 947 3131. LONDON

NOVEMBER 27-28 How to improve business performance through effective

technology Managing

Pax: +44 (0) 171 430 0514

Information as a Corporate

The enabling techn war business for survival in the info Age. Benchmarking best practice in ion management creating a learning organisation resourced by knowledge workers for maximum competitive sevantage. Chaired by DTI and CCTA. Featuring KPMG IMPACT, Reuters, ICL. Rothschild, Sabre, Coopera PO, EDS, Royal moose, BT Laba. \$425. Contact: Aslib Tel: +44 (0) 171 294 3726

Baurnemouth International Centre,

Fax: 0171 251 1359

01202 552122 BH2 5BH. Fax: 01202 299220

NOVEMBER 27 - 29 Auditing the Dealing room (Understanding the Treasury

> inspectors charged with examin ury operation, covering cash market Lywood David International Ltd. Tel: UK 44 (0) 1959 565820

> > LONDON

IBC 0171 637 4383

Fax: UK 44 (0) 1959 565821

TEAMS 95 either new or emphished reams will tackle Functional Teams, Project Teams, Self-Managed Teams and Large scale Teams. Discounts available for group bookings. For details

NOVEMBER 30 - DECEMBER 1 Marketing to Win Clients For managers wishing to incr based sales and profits using a variety of marketing techniques in the financial

Understanding your clients' needs Marketing targeted at clients needs Researching your market • Key elements o marketing · Selecting marketing t Developing your marketing plan. Hilary Jackson Tel: 0171 628 8444 Fex: 0171 628 7818

CENTRAL LONDON

Employee Fraud Conference and the real life 'Cracker'. These are jus two of the speakers that will help you limit your exposure to employee fraud. The ce is being organised by Sec

Gazette, Control Risks Group and the FI

Fraud Report. Ring or fax the remoter below

Contact Karen Lot. Tel: 0181 277 5241 Fee: 0181 277 5242 LONDON

and ask for an information pack.

DECEMBER 4 & 5 GO INTERNET

Business Comp

is a two day comprehensive programme providing a practical insight into the internet and what it can offer but Managers, Professionals and Decision Makers in the service industries, manufacturing and con topics and and issues will be presented and discussed by the Internet Industry's tor CONTACT:

Tel +44 (0) 171 573 5077 Fax +44 (0) 171 405 4957

IT Innovation in **Financial Services Marketing**

The explosion in the direct marketing of financial services has conference addresses the issues which companies must consider in selecting and using technology for marketing.

> Contact: ELAN CONFERENCES Tel: 01225 330312 Fax: 01225 330305

DECEMBER 4-8 JANUARY 4 Object Developments '95 A multi-event conference presenting the latest developments on all fields of Object BSC and its OOPS group. The intended software developers and database engineers OO subjects covered: Databases, Reuse

Tools and Technologies, Data Ma Client/Server, Testing. Contact UNICOM Ser

01895 256 484 Fax: 01895 813 095 LONDON

DECEMBER 5 & 6 FT World Telecommunications The World Telec ised annually by FT Conferences is the leading high level telecommunications participants drawn from all over the world. second waves of competition to the traditional players, and the competit

to come as a result of the commercial and

logical convergence between media

and content, and telecom carriage. Enquiries: FT Conferences

Fax: 0171 8733975/3969 Pay, Reward and Performance

Management: New compensation and motivation strategies for the Eather organisation Pay and appraisal systems must change to reflect this new reality, it presents practical

naceies for designing and implem systems to meet cur Tel: 0181 543 6565 Fax: 0181 544 9020 LONDON

Planning for Uncertainty

Despite three years of economic recovery we are entering a period of uncertainty. Will om? Can Lab and what difference would it make? These Contact: Atma Harman at

The Henley Centre Tel: 0171 353 9961 HENLEY CENTRE CONFERENCE

DECEMBER 6

Advertising Financial Services 95 Does financial advertising sell pro How can campaigns create a brand impact impovarive creative and media plans. Case adies: Lloyds Bank, Ann Equity & Law. Scottish Amicable. Speakers include Dominic Owens, Prudential and Ian Schoolar, NatWest plus debate with gencies and media owners. Tel: 0171 434 3711 Fax: 0171 287 8706

DECEMBER 11 & 12 The Outlook for Natural Gas Gas is widely viewed as the fuel of the decade with production and use growing strongly worldwide. With the advantages of being som as an environmentally friendly faci and reserves that are set to our-strip oil, will the gas business fulfil its widely held

LONDON

promise of are expectations being set too Tel: 0181 673 9000 Fax: 0181 673 1335

JANUARY 24-26 Roundtable with the Government of the Slovak Republic **NOVEMBER 29** Hotel Forum Bratislay a For further information contact Ms Angela Flacs.

focused attention on the value of technology in developing and maintaining a market share. Through practical case studies this

LONDON

Managing Your Time There are never enough hours in the day.
How to manage time effectively and prioritise your work load.

• Analysing your Responsibilities and consumer mends, retailers' requ
Setting Objectives, Action Planning, Time
marketing strategy in Europ Management Techniques @ Effective use of the Telephone and Technology

Running Teams, Delegation, Controlling Meetings, Dealing with Interruptions, Managing

Yourself and Others 1 day £220 Contact: Fairplace

JANUARY 4 - 5 Understanding Company Reports and Accounts An in-death review of the interpretation and

प्रशासि दक्ष्य था। using case studies.

Assets, Liabilities, Provision and Statements, Ratio Analysis

Tel: 0171 329 0595 Fax: 017) 329 3853

JANUARY 8-12

JANUARY 10-12

Types of Borrower and their Needs
 Types of Credit Analysis ● Profit and Loas Account and the Balance Sheet, Cashflow, Forecasts, Sensalvity Analysis ● Spreading Port

5 days £975 Tel: 0171 329 0595 Fax: 0171 329 3853 LONDON

Fax: (353-1) 6713594/8240 Dublin Financing International Trade As international trading activity expands to ake on new trading blocs, such as central and Eastern Europe, a basic knowledge financial transactions and documentation esential for any banker's key skill have Terms of Trade, Current Practice ⊕ Gatt and its implications ⊕ Trading Conventions, Standard Documentation ⊕Instruments of

LONDON

Management Techniques

Barter, Counter
Trade and Exotica. 3 days. 1695

Tel: 0171 329 0595 Fax: 0171 329 3853 Basic Treasury Management Increase knowledge of treasury products, improving sales, profits and customer

● Instruments available to Manage Risk ● Corporate Hedging Techniques

Transaction, Translation, Strategic

Exposure • Financial Instruments for

Coolingent Risk • Using Annual Report Information to Target Risks and Opportunities • Cross Setting.

Tel: 0171 329 0595 Fax: 0171 329 3853

JANUARY 30 The Taxation of Unit Trusts and OEIC's

Following the recent publication of the consultative document outlining the proposals for the development of the OEIC market, this timely conference will include Key comment from The Treasury. The Securities and Investments Board. The

Tel: 0171 637 4383 Fax: 0171 631 3214

Bonks in Spain, Competition & Strategies Multichannel Distribution, Plant Mergers & Acquisitions

The Teleshopping Explosion: Teleshopping Programming in Asia NIMA International, in conjunction with MIP Asia, presents its second annual Asian Teleshorping Conference to the dvs Contact: Vivien Wallace, Lippin Wallace Tel: 0171-630 9977 Fax: 0171-630 9806

NOVEMBER 28-29 Enhancing the Private Sector's Role in UN Activities **Nicosia**, Сургия For full details riesse contact

Grand Hyant, HONG KONG

Robert Earle Middle East Consultan l Battersen Bridge Rd Loadon SW11 3BG Tel: 0171 934 2980 Fax: 0171 924 2991 NICOSIA, CYPRUS

NOVEMBER 29-31 Global Equity Investing Co-bosted with the Singapore Society of Financial Analysts. This seminar will provide insights about the tools and strategies of successful phobal equity investing. Set in a key

provide an exceptional envir studying world market dynamics. Contact: AIMIR in the US. latemet: http://www.sins.com/slos-haw Tel: 1(804)980 3668 Fax: 1(804)980 9755

SINGAPORE

TO ADVERTISE IN THIS SECTION PLEASE CALL LUCY BATIZOVSZKY ON 0171-873 3507

hotels are enjoying such high rates of

that the London Tourist Board says 10,000 more recent could be needed by 2000, Scheherazade Deneshkhu writes. If some Landon has

hortage of affordable otels in less expensiv as than the west end. Pannell Kerr Forster and Knight Frank & Rutley said that demand for dation co lain 2,600 new beds in

is by 2010.

Malaria vaccine tests A new

vaccine, developed at the US

National institutes of Health,

approach to vaccination is in the early stages of testing, **Clive** Cookson writes. According to New Scientist magazine, the

does not offer immediate protection, but it promises to stop the disease spreading. It is designed to stop the mataria parasite reproducing, although several years of testing will be required. Other approaches to vaccination trials but none has given tently encouraging results. Travellers should keep taking

their malaria pills.



London and Colombo after seven years. It says traffic to Sri Lanka is growing, despite the continuing war between government troops and Tamil Tiger separatists. In a code-share deal between Alitalia and Canadian Airlines, the Italian carrier will operate Toronto in spring and summer, while the an carrier will operate them in winter.

• Scandinavian Airline

ights a week between Copenhagen and Pozna Poland, and plans further flights between Scandinavi

and Poland. Silicair, a unit of Singapore Airlines, will fly to Ujung Pandang in ia three times a week, and to Vientiane in Laos twice a week. Also, a twice-weekly charter to

Christmas Island will start from November 17. Lufthansa has started code-sharing flights with Thai Airways between Germany and Thalland, Each will operate seven 14 flights a week to Bangkok from Frankfuri plus two weekly flights to Bangkok from Munich.

Before he got into the fre-

quent flyer business, Randy

worked in men's retailing. He

clothes, talking to designers

and collecting frequent flyer

miles. He managed to earn

enough miles for a free trip to

Europe and then a holiday in

ting on a beach in Hawaii is

asking him which airlines they

should use if they wanted to

collect more miles. When com-

plete strangers started asking

for advice, Randy decided to

give up retailing and become a

professional frequent flyer con-

sultant.

pretty rewarding." he says.

"I thought: this idea of sit-

Colleagues at work began

lberia flights hit

lberia, the Spanish airline, is expected to be but by further strikes today Landon

November 9, 10, 13 and 14. It lost 300 flights last week in a protest by pilots at what they see as the management's failure to carry out restructuring, seen as vital if the European Commission is to approve a cash injection of \$1.1bn (£733m).

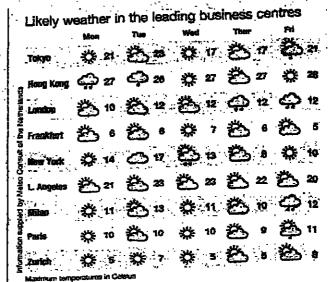
Most of the flights lost last week were on international and domestic routes that are served by other airlines. The airline has seen heavy losses since 1990.

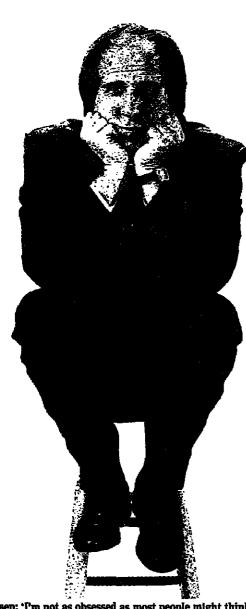
French strike called A union representing pilots

and mechanics at French airline Air Inter called at the weekend for a two-day strike in sympathy with stewards protesting at a planned restructuring by state-owned parent Air France. The union said it

was calling Air later members to strike on November 10 and 11. The stawards' union had aiready called for a wider stop at both Air France and Air Inter for November 9-11. The pilots' union

denounced Air France plans for restructuring Air inter, which operate mostly on domestic route:





Petersen: 'I'm not as obsessed as most people might think'

andy Petersen is king of the frequent flyers. than 200 days a year and has collected 5m air miles. When he is not collecting miles, he runs a frequent flyer publishing and consulting empire from his ranch outside

Colorado Springs.
Randy publishes a magazine called *Inside Flyer*. It provides advice for frequent travellers about which airlines offer the most air miles if you travel with them, and what free holidays and other prizes you can

Members of the Aer Lingus Travel Award Bonus programme, for example, can learn how to drive a racing car or have a free flying lesson (not, one hopes, on a scheduled

Randy also publishes the Official Frequent Flyer Guidebook, an annual survey of air mile programmes. There are 80 frequent-flyer programmes available worldwide. If you prefer not to arrange the free trips you have won yourself, or need to hire a car when you reach your destination, Randy's organisation will do it for you,

for an annual fee of £30. Randy is on the Internet, where you can see full versions of Inside Flyer, along with cartoons and other frequent traveller news. If you are worried you might lose all your lovingly collected miles if your airline goes bust, Randy can offer you Award Guard, a scheme under which you can insure your points against just such a catastrophe.

His company, Frequent Flyer Services, has 300,000 customers in 134 countries. "I love what I do," says Randy. "The compa-

ny's nine years old now, and I From the moment you wake still work six or seven days a up until the time you go to sleep, there are few activities which do not lend themselves to collecting miles and points towards that free beach holitravelled constantly, looking at day and those extra nights in a

luxury hotel. Examine every aspect of your life, Randy says, and see whether you cannot win more miles by doing things a little

differently. For example, are you happy instead, send flowers by telewith your dentist? Does he or phoning company which

she accept a . quent flyer programme? When you pay for your root treat-

He still switches airlines if ment, are you he can get more points. While at the same time winning air miles? If not, preparing for a recent visit to his London office, he noticed change dentists. "When you think about it, that American Airlines was my high-mileage life isn't offering a 25,000-mile bonus. really a whole lot different The cost of the flight was no lower than the one he had than yours, except I've made aiready booked on another carearning miles a priority," Randy told readers of a 22-page rier, but he changed to American immediately. advertising supplement he

Many people make the misplaced in Fortune magazine. take of thinking you can col-This is a typical Randy Petersen day: lect frequent Oyer miles only when you fly. In fact, there are • Dental check-up. Use credit card to pay. Win 73 air miles. dozens of non-travel companies • Pick up car from garage. that will give you frequent Pay for routine maintenance flyer points if you use their with card. 242 miles.

 Fill up with petrol. Pay with card. 16 miles.

• While driving, check in

with office using cellular telephone. Earn five miles per dol-lar spent. When the telephone bill arrives, pay with credit card, earn even more miles. Reach the office. Make sure every telephone call made and

every fax sent earns miles. Send gift to family member. Do not drive to shopping mall. awards

meeting rooms.

charge card From the moment and 1,000 miles which is linked you wake up, there per purchase. to your favour. Hold staff ite airline's free are few activities meeting offwhich do not lend site. Check first which hotels themselves to offer miles if

collecting miles you use their

Port of Call/Michael Skapinker

Pick up drycleaning on the way home. Pay with card. 21 miles. • Dine out. There are more than 2,400 restaurants in the US that award miles for every dollar spent.

There are dozens of other ways to earn miles. Some airlines award up to 1,000 miles to passengers who fill in and return market research questionnaires. Others will give you 5,000 miles if you persuade a friend to join a frequent flyer programme. You can earn miles by sending off for foreign language courses.

When to go that extra mile "Hang out at the airport." advises Randy. At London's Gatwick airport you can win miles just by shopping or eat-

ing at a restaurant.
Isn't this all a bit obsessive? "I'm not as obsessed as most people might think," says Randy. "I do meet people who are truly obsessed with miles, people who go to jail because they are so obsessed with

Randy spends a lot of time in court testifying in air miles cases. He appears as an expert witness, sometimes for the prosecution, sometimes for the defence, in frequent flyer fraud

People do all sorts of things to win miles illegally. For example, they check in, so that they can add the miles to their collection, but they fail to board the flights. Then they go home and claim a refund on the unused ticket.

He has appeared as a witness in divorce cases, helping courts settle disputes between spouses arguing over who should get custody of the air miles. Randy is particularly worried about the large number of people who do not mention their air miles in their wills, resulting in ugly arguments among the surviving dependents.

What motivates collectors of air miles? What distinguishes them from the travellers who never worry about frequent

flyer programmes? Is there an air mile-collecting personality type? "Actually, no," says Randy. "I used to think it was the individual who liked the challenge of getting things for free. Now I think it's all kinds of people."

One of the things that motivates collectors is greed, Randy admits. But others use their frequent flyer points to get better treatment when they fly. The more points you have, the more likely you are to be upgraded or admitted to the

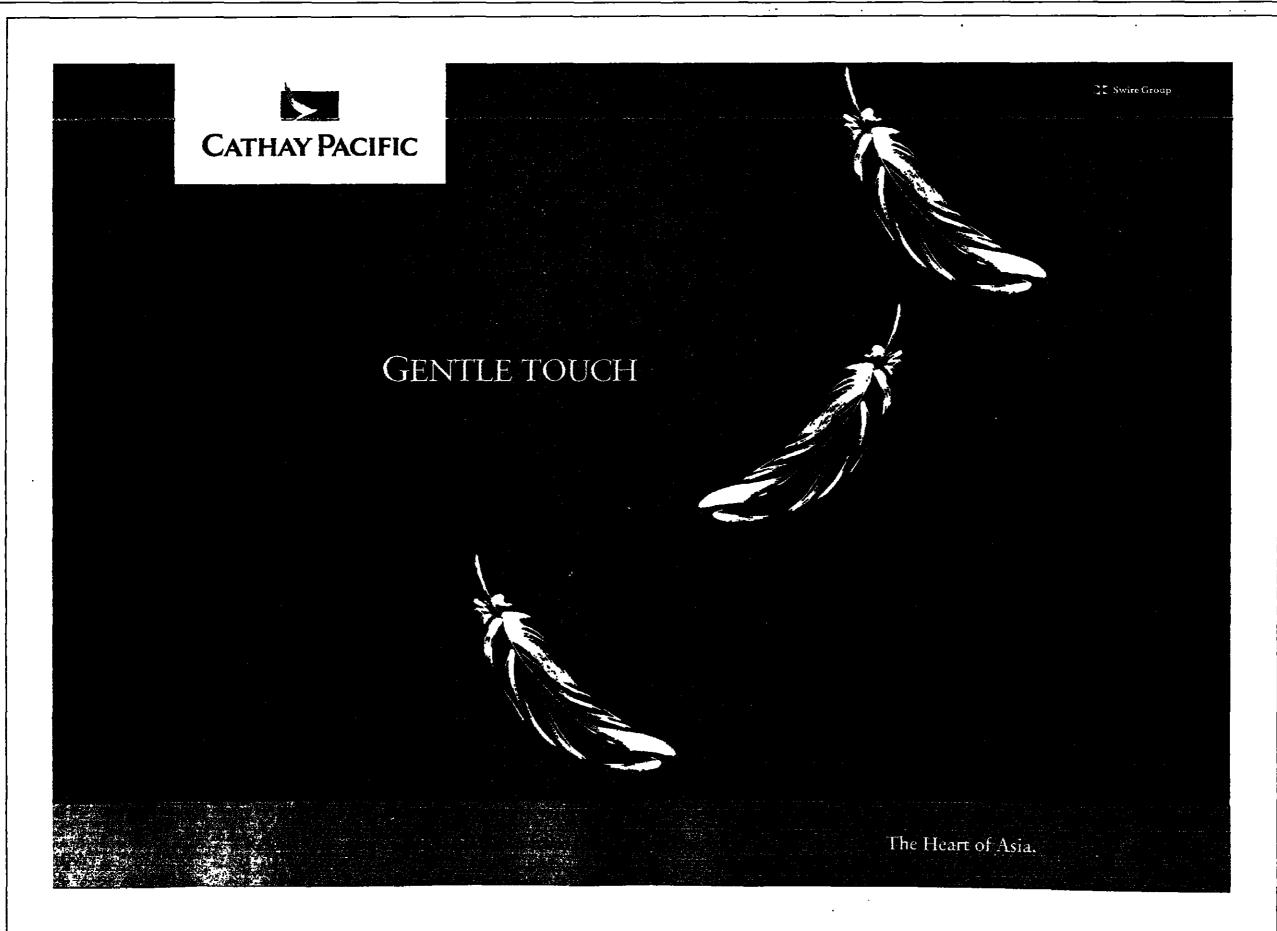
airport lonnge. British Airways has upset some of its customers by restricting air miles to those travelling on full-fare tickets. Randy thinks other airlines will follow. "BA's on the leading edge," he says. He believes RA's move will encourage lovalty among the airline's most

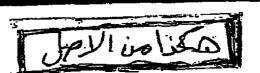
valuable customers. "They think: 'I give a lot of money to that airline. I should get more respect than the per-son who travels once a year on

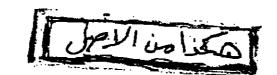
a discounted ticket.* Given the number of miles that Randy has accumulated. he must take a lot of free trips. He could if he wanted to, he says. The miles he has col-lected translate into 250 free flights within the US. But this is the funny thing about Randy: he does not use his air

miles to get anything for free.
If any of his miles are about to expire, he donates them to charities so that they can raffle them off. Sometimes he gives them to his employees so that they can have a free holiday. Two members of his staff are about to go to Hawaii, using Randy's miles. "My hobby is collecting miles, not spending them," he says.

্







on Fuji

tesult forecast

SEA Winters

ा सम्बद्धाः स्वि

Is and Set

THE TENDERS

 The Berkeley Round Table on the International Economy (http:// server berkeley edu BRIE) is one of the leading US research projects on global economic competition and the development of advanced technologies. An interesting site well worth bookmarking for details of

ongoing research interests.

 London wine merchant Berry Bros & Rudd, established in 1698, has become the oldest company in the world to set up a (www.berry-bros.co.uk) and it's a model of online niche marketing. A very nice home page with a coloured text format that is pleasant to read and a straightforward product index and order form. Prices can be converted automatically from sterling to US dollars and yen.

 The Embassy of Mexico in London has set up a dual-language site (rows.demon.co.uk/mezuk) with a useful set of links to daily Mexican news sources and a range of international newspapers. Well laid-out and easy to use.

 Mortgage News very nice service of Worthwhile Publications covering the UK house-buying market. It has news items indexed by subject or date order and covers all aspects of the mortgage industry.

 Innovations Online (www.innovations.co.uk) is a shopping service brought to you by the folks who produce those brochures that fall out of your Sunday paper full of weird and fascinating stoff. It has merchandise ideas from London's Victoria & Albert and Science Museums.

 The Hong Kong Standard (unow.hkstandard.com) is the crown colony's first English-language daily paper to go on the Net. With good content for those who know the region, it's perhaps a little graphically ambitious as the images are frustratingly slow to load.

 Cyber Business Journal (www.swcp.com/ coach.CBJ) is a useful online monthly magazine - with occasional weekly updates - covering aspects of electronic communication and commerce. Although the spelling is a bit liberal at times, it has a good range of contents, currently featuring articles on information disaster recovery, bandwidth availability and the United Nations' approach to a giobal economy.

 Allied Dunbar's real site (http://AlliedDumbar.co.uk) is a well-organised marketing vehicle for the company's life cover products, featuring an instant premium calculation using readers details. Simple and straightiorward.

 PlumbNet (www.plumbnet.com) is described as a communications revolution for the plumbing industry" bringing together plumbers, architects and interior designers. If you're in that sector it's actually an excellent resource database and promises much. US only for now, though, so the rest of us will have to take pot luck from the cards in the

 Classic motorcycle manufacturer Harley-Davidson has put up its Christmas catalogue of merchandise (www.hd-stamford.com/ christmas.html), from where you can order attractive gifts like a customised spoon rack bearing the famous Harley logo. I kid you not.

Stephen McGookin steve@mcgook.demon.co.uk (A recent system crash meant I lost a file of stored e-mails. If you have contacted me over the past couple of weeks and I haven't replied, please get in touch again.)

Financial Times on www.ft.com www.usa.ft.com

FUTURES

Last week Tim

start-up in London called Infotrade unveiled the most comprehensive electronic service for the private investor that I have seen Strictly speaking, Jackson the service is not

new. Prices from the London Stock Exchange have been available for more than a month from Electronic Share Information, a company based in Cambridge; and the same company has joined with Sharelink, a discount brokerage in Birmingham, to allow investors to buy and sell shares from their personal computers.

But Infotrade's package is more ambitious. It boasts a range of finan-cial information – including analysts' estimates, directors' dealings and historic price and accounting data - never before available electronically to retail investors outside the US.

For a start-up, this was an impressive package. It included material from many of the big names in British financial information, including Extel, the FT and Edinburgh Finan-

Gulf keeps broker from browser cial Publishing But Infotrade is no

ordinary start-up. It is funded (and wholly owned) by Mitsubishi Electric of Tokyo, a member of one of Japan's most powerful keiretsu (industrial groupings). With characteristically Japanese patience, the firm expects to spend about £3m to £4m a year for the next three years before seeing a penny of profit.

The power of its backer helps explain why Infotrade has acranged for retail distribution of its access software through BT shops around the UK, and has persuaded the nor-mally conservative phone campany to send out 500,000 pieces of junk

Infotrade has a testimonial from Britain's minister of science and technology, Ian Taylor. He describes the need for "real, practical applica-tions which will help to drive Britain forward as the new pioneer of the information age", and cites infotrade as "a shining example of the pioneer-ing spirit . . . harnessing the power of the superhighway for the private

How can infotrade possibly fail? Yet I believe that it will - and that its failure will offer useful lessons to other companies following in its

A good starting point is the minister's reference to the superhighway. In fact, infotrade's route to its customers is via the old fashioned phone network. To receive information or to place orders, customers have to make a long-distance call from their PCs direct into Infotrade's Birmingham office. As a result of infotrade's slightly

odd pricing mechanism, many customers will make three calls - once to check the price, once to issue their order, and once to confirm its acceptance. Had the service been offered over the Internet, a single local call could have been sufficient. Customers can use only Infotrade's own access software, not the

World Wide Web browsers with which the PC users are already

coming to see the web as the route to a wide range of products and services. It is a self-inflicted wound for Infotrade, which consequently denies itself access to a largely ready made pool of several hundred thousand internet users in the UK.

Peter Horne, Infotrade's chief executive, has counter arguments. He says that few investors have internet access, and many are frightened by the complexity of it. Direct access also improves security and reduces

These points are powerful. But Horne's difficulty is that Infotrade is currently only a delivery mechanism, competing with the post, the phone, the Internet and other more powerful private networks such as CompuServe. His hope is that by moving first and throwing money at marketing, Infotrade will gain a leading position - perhaps 12 per cent of the market - that will bring it such a large installed base that content providers and brokers will feel forced to join up.

This view is curiously similar to that of computer companies in the 1970s, which believed they could lock their customers into buying products by encouraging them to use software that could not run on competitors' machines. Discredited in the computer industry, this is an odd strategy to follow in the 1990s

information business. My prediction is that Infotrade will succeed initially in signing up retail customers, but will then find that its growth stalls as investors become more computer-literate and realise that a wider range of products is on offer via the Internet.

Content providers will be enthusiastic at first, but will later abandon Infotrade and sell their material directly via the Internet.

What, then, is the best way to use new technology to make money in the broking business? The obvious answer is disintermediation: by-passing the entire structure of brokers, market-makers and stock markets altogether. The beauty of the Inter-

net is that it allows millions of private individuals to make contact. So someone who wants to buy 500 BT shares can easily find someone who wants to sell the same number, and can deal at a transaction cost far below traditional retail broking commissions but still very profitable indeed for the firm that operates this electronic market.

ESI, the Cambridge company mentioned above, hopes to be that company. Matching buyers and sellers across the Internet is not terribly difficult. The difficulty is the chicken-and-egg problem: buyers will not come unless they see a thriving market, yet the market cannot thrive

until buyers come.

The most likely outcome is that the businesses making the real money from electronic broking will be the very brokers that have the largest retail client bases today. Sharelink, whose 600,000 retail customers make it overwhelmingly the largest retail brokerage in Britain, offers dealing services through ESI as well as through Infotrade. That, rather than the other two compa- Tim Jackson can be reached at Tim.Jackson@pobox.com

Rivals circle as shadow of black box deepens

Germany's digital TV race has begun, writes Judy Dempsey

ngineers and technicians at the Leo Kirch media group near Munich are busy preparing for the launch next year of Germany's first digital television net-

The Kirch group, owner of one of the country's largest film libraries, built up in the 1950s, signed a deal with Nokia, the Finnish electronic manufacturer, two months ago. Nokia will supply 1m D-boxes, or decoding boxes, the crucial piece of equipment which will give viewers access not only to scores of TV channels via cable and satellite but to a range of multimedia services.

"It is a very exciting venture," says Gottfried Zmeck, manager of the Kirch group. "We are confident we can launch digital television in Germany late next year. There seems to be little stopping us." The satellites required to beam in

a plethora of programmes and services to German homes are almost in place. Astra 1E has got the go-ahead for launch next spring, followed in the summer by Astra 1F. Zmeck believes that within three to four years Kirch will have about 4m viewers, provided, he adds hast-

ily, "the price is right. We have to

give the consumer value for money

and we have to make sure that the D-box is easy to use". The D-box will cost about DM1,000 (£457) – expensive for Germans who are already saddled with a heavy tax ger," he says.

burden as well as paying a monthly

DM23.50 TV licence fee for access to ARD and ZDF, the state broadcasting channels. Nevertheless, Kirch is determined to offer a choice of competitively priced packages as well as US-type pay-to-view.

We want as wide an audience as possible. We are not just aiming to provide high quality entertainment and access to the major online services. We want to provide home teleshopping, training programmes, video-on-demand, educational pro-grammes and closed-user group facilities. The possibilities are immense," says Zmeck.

And the market is potentially huge. Officials at Deutsche Telekom, the state-owned telecommunications network, have estimated that the German market for business-related multimedia services alone will be worth DM13bn by 2000, while Germany by then would account for a quarter of the European Union's multimedia market. Despite such optimistic forecasts,

Kirch and other media experts are aware of the risks involved. "You don't make money quickly on this system," says Michael Thiele of the Hamburg-based Association for Digital Television, a think-tank specialising in multimedia services. Zmeck is just as cautious and reckons Kirch could break even on an operating basis within four or five years. "A return on investment could take lon-

ture. Hard on the heels of Kirch is MMBG, a consortium headed by Bertelsmann, Germany's biggest publishing and entertainment group, which is based in Gütersloh, a small town in the north of the country.

Last August, Bertelsmann, along with Deutsche Telekom, RTL, Ger-many's independent commercial television channel, ARD and ZDF and CTL of France, launched its own digital television-multimedia joint

B ut unlike Kirch, MMBG has yet to establish a uniform decoder infrastructure. Even if it does, it could mean that Germany would have two separate digi-tal television networks. "I am not so sure the market could carry both systems," says Thiele. "Obviously it would be better if MMBG and Kirch could reach some agreement on having one uniform D-box for German consumers, but that's competition for you.

Reaching agreement on a uniform D-box is not easy because Kirch and Bertelsmann are age-old rivals in the media, television and entertainment industries.

Kirch hold a 43 per cent stake in Sat-1, Germany's first independent television network, which was set up in 1985 and which has a 14.9 per cent market share. Bertelsmann has 39.9 per cent of RTL, the rival commerhas an 18 per cent market share.

DAS BLACK BOX Dr. CALIGARI kick-start for digital television since

Both channels are fighting to hold on to their market shares at a time when Pro 7, a latecomer to independent television, in which Kirch's son. Thomas, owns 49 per cent, is rapidly gaining ground, with 10 per cent of the market.

To complicate matters further.

Bertelsmann and Kirch realise that the success of digital television will in large part depend on Premiere, Germany's only pay-TV channel. After a shaky start, Premiere, founded in 1991, has nearly Im viewers, the minimum required to break there is a ready-made captive paying audience. The problem is that Premiere's shareholders cannot agree which decoding box they want

because they are rivals.

Kirch holds 25 per cent of Premiere while Bertlesmann has 37.5 per cent. Neither conglomerate is willing to agree on a uniform D-box. Helmut Thoma, head of RTL, says it is unclear what will happen.

"Of course, the set-up box is important. But even more crucial is who will get the licence for the coneven. But the important point about ditional access system. The costs the network is that it could act as a could be very high," he says.

For the Kirch group, it is a ques tion of time - or rather who is leading the race to establish digital television. "We are positioning ourselves. We are ahead [of MMBG]," says Zmeck. "Surely that would be a deciding factor for Premiere. But its management will be the ones who will have to choose."

Premiere, for its part, said last week that it expected to make a decision by the end of this year. And since Kirch is leading the race for digital television, the chances are high that it will opt for Kirch, ensuring the further expansion of his

Blue teddy bear meets Dweeb and Jessica, a brightly coloured fish

Louise Kehoe sends a don't-wish-you-were-here post card from her holiday in cyberspace

begin an exciting journey with other people through a virtual environment. Travel with other cyber surfers from around the world who, like you, can be seen as real-life avatars, or visual embodiments

Like many a real world travel brochure, this promotion for cyber travel, through three-dimensional virtual reality sites on the Internet, sounded too good to be true.

Virtual cyber travel is today, unfortunately, much like the real thing. Expect long delays, lost luggage, technical prob-lems and - if you do finally reach your intended destination - a resort that is still

moder construction.

This cyber reporter's first trip to "Planet 9", one of several destinations that can be reached from "Terminal Reality" (http://www.zdnet.com/zdi/ vrml/), a virtual reality Internet "airport" that was opened last week by Ziff Davis, the US publishing group, was aborted by an "unknown http status code" message after more than half an hour of multimegabyte

downloads. Worlds Chat, a virtual reality social arena created by World Inc of San Francisco, proved to be a more reliable destination. Drawing upon the success of text-based "chat rooms" at online services such as America Online, where a group of users can exchange typed messages, Worlds Chat adds the opportunity to pick an "avatar" or digital actor to represent yourself, plus tools to navigate within a 3D space and

socialise with other visitors. The experience, however was akin to crashing a private costume party. Having rashly taken on the persona of a blue teddy bear in Worlds Chat, this

cyber reporter encountered "Dweeb", a three piece-suited type who seemed to know his way around, and "Jessica", a brightly coloured fish. Were these to be my cyber palls? Perhaps not. After brief pleasantries, we moved on. What does a teddy bear say to a fish?
This is the "bleeding edge" of Internet technology, and it

is not for the faint of heart, or those with less than 8Mbytes of memory and a fast modern. Yet the prototype virtual

reality "worlds" that have sprung up on the World Wide Web over the past few months provide a useful signpost to the future route of the information highway.

A year from now there will be many virtual worlds on the Internet

Eventually, broadband networks - either fast phone lines or television cable network hookups - will eliminate the data traffic jams that currently frustrate efforts to deliver three-dimensional images to personal computer users. Higher speed microprocessors and personal computers with

more memory will also help. When the infrastructure is in place, today's "flat" text and graphics World Wide Web sites will give way to 3D acenes inhabited by avatars, or digital actors, says Willy Chiu, IBM's director of multimedia technol-

A year from now there will be many virtual worlds on the Internet. Three-dimensional graphics and sound will be commonplace and electronic shopping in virtual stores will be starting to take off, he predicts. Some 30 or more companies – ranging from tiny software startups to IBM and Microsoft – are racing to bring virtual reality to life on the Internet. Several are already offering prototype software free to all comers.

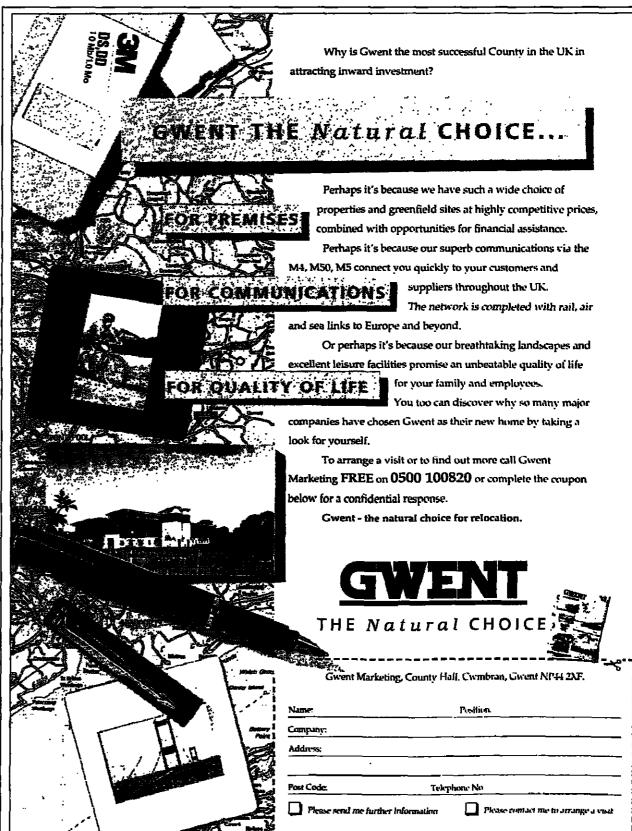
Much of the current interest in 3D WWW sites is being shown by video games develop ers. There are also, however, potential business applications. In a demonstration of VRML technology, IBM will later this

year create a virtual products gallery where visitors can seek answers from the company's marketing avatars. The computer company is also planning to construct virtual museums art galleries and libraries where users can view or read rare collections. Visa, the inter-national credit card organisation, is developing virtual bank hranches to be linked to the Internet. And retailers are expected to follow with three-dimensional images of

The next step will be for individuals to create virtual worlds on the Internet. This will become feasible within the next few months, industry analysts believe. In these brave new virtual worlds, users might also be able to create their own avatars, each programmed to perform a task such as greeting visitors or looking for stock market information.

ity on the Internet has so far been benign, the technology could create the potential for a new rash of cyber crime. Avatars might, for example, adopt offensive personalities or even be programmed to commit crimes. Another concern is that day to day social interaction might one day take place among digital surrogates, rather than between real peo-

While the use of virtual real-



am Smith began university as an undergraduate with a secret.
While her contemporaries swapped stories about the sixth forms they had left behind, Sam kept quiet about her former life on the women's tennis tour.

The apartment in Florida: competing at the Barcelona Olympics: a bank account containing serious money - all seemed a long way from shared digs, late essays and baked-bean suppers.

"For the first couple of terms

I told no one except a couple of people I was very close to. I had no intention of playing tennis again – except for fun. I just wanted to fit into student life," says Sam. Her elfin features make her

look younger than she is, and a passion for pubs and parties provided her with a perfectly normal identity at the univer-

What makes this story more than simply another tale about a burned out young tennis star is that Smith, 23, was talking at the British national tennis championships at Telford where she was seeded 8th.

In the next room, Greg Rusedski, formerly of Canada, now the British No 1, was speaking about his extraordi-nary adoption by the British public. Along the hall, Jeremy Bates, whom Rusedski supplanted as No 1, was talking about retirement to the everhungry tabloids.

Smith, a history graduate (upper second), was back on tour. "It wasn't until as late as May this year that I even considered playing seriously again," she told me. "I was looking for jobs, not more ten-

As Smith talked, Warren Jacques, the former head of British tennis and one of the world's top coaches, wandered past. "With your talent you can do anything in the world,"

he murmured avuncularly. Certainly Smith is no ordinary athlete drilled since school to focus on tennis alone. During the summer she



accepted an invitation to play

an exhibition match in Beirut because she had written a dissertation on the subject of Lebanon's civil war and wanted to see the battlegrounds. She left Bancroft's School in Essex in the summer of 1991

with two A-levels and a reputa-

tion as one of the best junior players in the UK. Although stardom seemed to beckon, even then Smith felt ambivalent.

"People see you in terms of just one thing if you happen to do it exceptionally well. They won't accept your other ambi

Tet the chance to join the tour, via a place at Apey's tennis academy in Florida, was irresist-

short order she became the world's 103rd ranked player, and third in Britain. But her goals were harsh. "I said that if I wasn't top 50 within two years, I'd quit." Before that target was even in her sights, the young player

started to become unhappy with her regime. Between my coach and my done for me, and that's something I won't let happen again.

agent I just didn't seem to have any control over my life. I was making a lot of money for a 19-year-old, but I've no idea exactly how much. It was all I have my own mind and I got

out of the game just to get my

Socially and intellectually,



Sam Smith: no ordinary athlete drilled since school to focus on tennis alone

she found life on the tour dispiriting. She chooses her words carefully here, for these people are once again her everyday

"You have an awful lot of time hanging around, which can be used much more con-structively than most players bother to. There weren't that many people that I felt I had much to talk about with." She applied to various uni-

but says she got lucky with Bruce Coleman, head of history at Exeter and a keen squash player and all-round "He could see that I was aca-

versities late and on impulse.

demically sound and had some-thing to offer, and bent the rules a little bit for me." During her first year at university Smith stayed away from the tennis court - " didn't want to blow my cover'

 but kept fit with squash and swimming. Essays and tutorials were so much fun, plus sharing a house with seven other students, that she hardly gave the game a thought. But the world student games in Buffalo in 1993 proved a

turning point. "To be honest, my prime interest was the free trip to America." she concedes But once I'd started competing again I realised that I'd been missing that part in life quite badly. You do get accustomed to competition and adrenalin and can't just drop

This spring, the world student games came round again and, with finals on the horizon, Sam Smith realised that tennis meant more to her than the post-graduate course she was about to apply for.

In search of guidance she phoned Ann Jones, the head of women's tennis in Britain. With Jo Durie retiring, the coach was pondering the lack of heavyweights in her string.

Smith's call made Jones's day. "She was always a good player, but there's much more motivation now," says Jones, adding that if Smith had a flaw it was in her movement around the court rather than a weakness in shots - a tendency to read the game with a little too much detachment.

"If you really want to hit the

ball it's surprising what you can get to," says Jones.
On Saturday, Sam Smith was drubbed 6-2 6-2 in the final at Telford by the top-seeded Clare Wood, the British No 1. But Smith was not daunted. Next weekend she plays in the British European Cup team in Stockholm: her first competition at international level since returning to the game. "It does feel strange," she says. "Instead of getting up and going to lectures - or missing them - I'm hitting thousands

of tennis balls every day. The

odd thing is, I love it."

Viterbo hints at how to re-civilise the city

A fine medieval Italian town offers important lessons for urban renewal, writes Colin Amery

always nourished each other. After visiting Italy I always return feeling I have enjoyed a feast, not in a gluttonous way but

enriched by the experience In architecture Italy has more to give than almost any country, though when it comes to poetry, as Dryden said, the inspiration has to be Greece, Italy and England, in that

There is a wonderful example of Anglo-Italian partnership and inspiration to be seen in London at the moment, and the two institutions that are behind it are both highly typi-

cal of their countries. The Accademia Italiana has, in a very short while, become a London landmark, because of its lively and intelligent exhibi-tion programme and the qual-ity of its chairman, Doctor

Rosa Maria Letts. At present it is playing host to a small exhibition that represents the work of the Summer School of the Prince of Wales's Institute of Architecture. The exhibition is highly representative of the approach to architecture and town planing that informs these exceptional summer schools. Prince Charles believes in the impor-tance of civilised urban living, and gradually his summer schools and the new Prince of Wales projects office are spreading the word by exam-

The subject of the small exhibition at the Academia Italiana (8-9 Grosvenor Place, London SW1; telephone for opening hours: 0171 235 0303) is the town of Viterbo, in a relatively unknown (and thus unspoilt) part of northern

Viterbo has been the base for the summer schools of the Prince of Wales's Institute of Architecture since 1990 when the first one was held at the magnificent Villa Lante at Bag-

In that greatest of all Italian renaissance gardens the students absorbed as much (and probably more) from their sur-

taly and England have roundings as from their academic studies. What this little exhibition shows, and the summer schools demonstrate, is that the best way to learn about architecture is from a direct involvement in an urban

The Prince of Wales's Institute is responsible for the evolution and development of a project-based way of teaching architecture, and the publicaion which the London exhibition launches, Viterbo - Santa Maria in Gradi, is a good way of demonstrating the thinking behind the method.

Anyone interested in architecture and urbanism is usually enthusiastic about Italian towns, which, even today, are still places that seem to work and look good. The reason is partly their density; but their human scale and sense of continuity is also

Viterbo was once one of the great cities of Europe, a refuge of the papacy and full of churches. Today it still has 5 kilometres of medieval walls, as well as 31 towers and 12 great city gates. Santa Maria in Gradi is the remains of the huge Dominican convent that grew up in the middle of the 13th century. It has been a prison, and was bombed in 1944. The site is now being taken over by the university of

he site is the key to the redevelopment and renewal of an important part of the city. The exer-cises shown in the exhibition and in the publication are respectful of the nature of the city, and the mayor of Viterbo is determined to see that their approach forms the basis of any new development.

What is it that makes Prince Charles's so different? In this case, it is the way that the students used the whole city as part of their apprenticeship. They are trained to develop an approach to urban intervention which at the same time is part of their architectural educa-

tion. And they are expected to involve themselves with the economic, political and institutional aspects of the city and to engage in endless and thorough public consulta-

The value of this happening during the course of a relatively short summer school is that everything is so focused and concentrated. Although some of the ideas discussed are theoretical, they plant seeds in the imagination of the people who live in these places, and that is very valuable. This task-force approach is some-thing that the new Prince of Wales projects office hopes to apply to urban problems in

 $p_{\rm H}(m)$

e might call thing re-civilising the city. exercise, especially as the UK's lottery-funded millennium fund is at present anxiously seeking ideas on how to spend its money.

Virginia Bottomley, the secretary of state for national heritage, made three speeches last week: one to present the annual report of the millennium commission; one to English Heritage; and one to the Landscape Institute. Although full of optimism about the joys of the flood of lottery money, she seemed to lack a clear theme for celebrating the millennium.

In fact, the ideas in this book and exhibition could give her something to think about Gradual and careful renewal of towns and cities and the removal of the most uncivil-ised elements is exactly the sort of thing the commission could fund.

Naturally, all this needs highly sensitive handling. Care and compassion are as important in the renewal of cities as in all other aspects of life. Civilised renewal should be the watchword, not just for fine medieval Italian towns but for the most vandalised of inner cities throughout Europe.

CONTRACTS & TENDERS



HUNGARIAN PRIVATISATION AND STATE HOLDING COMPANY

INVITATION TO BID

The Hungarian Privatisation and State Holding Co. and the ATEX Co. in cooperation with the advisor, Ernst & Young Ltd, invite a one-round, open tender for the sale of 80 percent of the registered capital of

IKARUS VEHICLE MANUFACTURING COMPANY

with nominal value of HUF 9,200,000,000. Besides bids for the purchase of the shares bids for capital increase in cash may also be submitted.

Bids are to be submitted in person or by a proxy in Hungarian, in five copies, in a closed, unmarked envelope to the address given below.

"IKARUS privatizáció" (Ikarus privatisation)

must be written on the envelope.

The detailed tender invitation and the Information Memorandum on the Company may be purchased from November 6, 1995, on working days, between 09.00 and 12.00 hours at the advisory firm's (Ernst & Young Ltd., H-1146 Budapest, Hermina út 17., 2nd floor, room 219.) for HUF 100,000 plus 25 percent VAT or for USD 800 in case of foreign legal and natural persons. On receiving the tender documents the bidder must also sign a pledge of confidentiality. The purchase of the tender documents is the condition of participation in the tender.

Date to submit bids: January 8, 1996, between 13.00 and 14.00 hours

Place to submit bids: Hungarian Privatisation and State Holding Co. (H-1133 Budapest, Újpesti rakpart 31-33. 8th floor, room 804.)

Bids must be valid for 120 calendar days from the expiration of the deadline for submitting the bids. The Announcers reserve the right to declare the tender void.

Following the purchase of the tender documents information may be obtained from:

Géza Bereczky portfolio manager

APV Rt. (H-1133 Budapest, Újpesti rakpart 31-33.)

Phone: (36-1) 269-8600, ext: 2659

Dr. Zoltán Nagy senior consultant

Ernst & Young Ltd. (H-1146 Budapest, Hermina út 17.)

Phone: (36-1) 252-8333, ext: 1219

THE WEEK AHEAD

DIVIDEND & INTEREST PAYMENTS

TODAY Arcadian Intl 0.1p Bank Scotland 8.625% Perp Sb Nts £86.25 Brtitsh Petroleum 40 Britsh Vita 3.95p Close Bros 5.8p Courtaulds 6% (4.2% net) Cm Rd 2nd Pf 2.1p Eksportfinans 7%% Nts '97 C\$77.50 Fisons 8% Bd '03 £80.0 Goodwin 0.655p Gradus 1p Halifax Bldg Scty FRN '97

£373.17 IAF 0.4p Macro 4 13.4p Manders 3.1p Morrison (Wm) Supermarkets Natl & Prov Bldg Scty 81/4% Nts '98 £825.0 Nightfreight 1.13p Osaka Gas 4.95% Nts '99 Y495000.0 River & Mercantile Amer Cap & Inc Tst 1.8p Royal Insurance 50 Scholl 2.8p Sweden (Kingdom of) 8% Bd '97 DM800.0 Treasury 7% '01 £3.50 Whitbread 7¼% Un Ln '95/99

ZENECA 11.250 TOMORROW Astec (BSR) 0.5p Bristol & West Bldg Scty 13%% Perm Int Bear Shs Conversion 9%% '03 £4.875 Guinness 4.2p Hemingway Properties 0.15p Mazda Motor FRN Aug '96 Y27791.0

Do FRN Nov '96 Y27791.0

Moss Bros 5p PCT Grp 2.7p Rentokii 1,23p Royal Doutton 2p

■ WEDNESDAY NOVEMBER 8 Abtrust Latin Amer Inv Tst 1p Cons Murchison R0.50 Healthcare Operators 1 Cl B Mort FPN '21 £231.58 Inspec 2p Inv Tst of Guernsey 0.855p Johnston Press 0.75p Macallan-Glenlivet 0.47p Mackie Intl 3.7p NM Smlir Australian Cos Tst. Nihon Doho Kodan 8%% Bd '96 \$443.75

Nottingham Gas Anns £1.625 Redland Intl 15%% Nts '96 A\$153.75 River & Merc Smlir Cos Tst. 3.075p Wilson Bowden 2.85p THURSDAY NOVEMBER 9 Birmingham Mid Bldg Sctv FRN '99 £176.44

Cantors 2p Citic Pacific Fin FRN '97 \$1740.97 Coles Myer A\$0.10 Collaterised Mort Secs (No.12) CI B Mort Bkd FRN '28 Forth Ports 3.6p HALOS 8%% Db '18 £4.1875 Inti Bank Rec & Devi 11.5% Ln '03 25.75 Jerome (S) 0.75p Liberty 1.85p Logica 4.5p Mitsui 4.9% Bd 2000

New Throgmorton Tst 1p

Y490000.0

NTT Data Comms Systems 4.10% Bd '99 Y410000.0 Nova Scotia (Province of) FRN '99 \$154.93

Polypipe 1.85p Princedale 0.3p REXAM 6.1p Southern Newspapers 11.5p Throgmorton Dual Tst 1.85p FRIDAY
NOVEMBER 10 Abbot 0.56p American Express \$0.225 Arney 2.4p BS Grp 1.5p Boosey & Hawkes 1.53p

Brammer 4,75p Calor 6p Cape 3p Charter 8.5p China inv & Devi Rd Parto \$0.29 Christiania Bank Prim Cap Undtd FRN \$329.03 Dewhirst 1p Eyecare Products 0.55p For & Colonial Pacific Inv Tst

0.8p Forth Ports Authority 3%% Funded Debt £1.875 Gates (UK) 41/4% Rd Db \$2.125 HTR Inc & Gwth Split Tst HTV Grp 1.25p IBC Grp 3p '08 £31,25

Inchcape 614% Conv Sb Bd Investors Cap Tst 4% Db Rd Japan Devi Bank 9%% Nts '95 \$468.75 Korea-Europe \$0.01 Marley 2.1p Mirror 1.2p

More O'Ferrall 3.4p Michael Page 1.1p Peninsular & Oriental 6% Conv Bd 1st-Ser '89 \$150.0 Scottish Eastern Inv 4% Db £2.0 Do 4% Pp Db £2.0

Secure Tst 5.5p **Sherwood Computer Services** 1.25p Tele-Cine Cell 1.8p Tilbury Douglas 7p Tokyo Dome 5.35% Nts '96 Y535000.0 Tor Inv Tst Cap Shs 2.59p Do Inc Shs 8.59p Watmoughs 2.5n Weir 2.2p Wolstenholme Rink 9p

Yorkshire Tyne-Tees Television 3.7p **■ SATURDAY** NOVEMBER 11 Alliance Tst 41/2% Db £2.25 Glasgow Corp 31/2% Irred £1.75 Do Gas 6%% Annuity £3,375 Do Gas 9% Annuity (Perp) £4.50 Do Water Arins (Perp) 50p Do Waterworks Funded Debt 31/2% £1.75

Do Waterworks Funded Debt 4% £2.0 Home Housing Assoc 8%% Lr '37 £4.375 Scottish Mort & Tst 41/2% Db irred £2.25 Second Alliance Tst 41/2% Db (1956) £2.25 Tor Inv Tst Cap Shs 1,41p Do inc Shs 1.41p

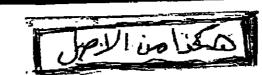
Man River

 $\pi_{R!|_{T_N}}$

MALL

UK COMPANIES

Imple Place, Strand, W.C., 1200





PARIS. Over the next three v the Chatelet Theatre is staging a major Schoenberg celebratio Including concerts, operas and an exhibition of his paintings. This week's events begin with a concert tomorrow by the Gustav Mahier Youth

Orchestra under Claudio Abbado. Wednesday is the first right of Herbert production of Moses und Aron", with Christoph von. Dohnanyi conducting the Philhermonie Orchestra. Later in the month: there will be a staging

The New York Philhermonic makes few continuedos to CONTEMPORARY MUSIC and when it does - as lack - It makes sure the programme is reassuringly familiar. '(his season's choice is tuices Foss (b. 1922). the Bedin-born American who studied eith Hodewith, Kurt Viesur conducts Foos's Concerto" and "Song of Songs" on Thursday Friday and Saturday at Avery Fisher Hall, in a programme which also



WASHINGTON The great 17th century Dutch master Johannes Vermeer evoked s n intages of everyday life. The splety to his work opens at the National Gallery of Art on Sunday and includes seven religious and mythological paintings as wall as. his more terriliar landscapes and genre images. The show moves to The Hague next

Much ado about City's troubled gift to nation

*

Antony Thorncroft meets the Barbican's new chief

ohn Tusa, who takes over as managing director of the Barbican next week, is in an emollient mood. "On Day One I will call in the department heads and staff and hear from them what they want to do about the place," he

says.

There is method in the diplomatic approach of this old BBC warhorse. His predecessor, Detta O'Cathain, rubbed her workforce up the wrong way. Tusa is going for consensus making clear that a new era has started for the City of London's arts

In fact it began before his arrival. Changes, planned and unplanned, have come fast and furious since the O'Cathain suddenly disappeared last December. To plug the gap the City put in its chamberlain, Bernard Harty. It was an inspired choice: it enabled this top City civil servant, who has since been chosen as chief executive, to get to know every nook and cranny of the Barbican Centre, which costs the City around £18.5m a year in subsidy. Harty will offer a sympathetic and informed ear to any suggestions by Tusa, who has been assured that money, in reasonable quantities, should not be a problem.

Already the City is committed to spending 59m to make the Barbican a friendlier place, and a new artistic director, Graham Sheffield, has been poached from the rival South Bank with the task of boosting audiences in the concert hall on those nights when the LSO, the resident orchestra, is absent - well over 200 a year. The City Fathers have grown to love the Barbican and want it to succeed.

🥌 அச்பு .

· - - - 46 4-

e in the factor for

· 233

14. m7 10.

** ***

- 17.3ft

الإيوار موجور

244

1 # 4.

· -- :: : : : : .

This presents Tusa with his main problem: he arrives half way through the face-lift. Can he sur marily dismantle new signs, fresh carpets, the gilded figures of the artistic graces which add charm to the previously invisible main entrance? Once again he adopts a soothing approach. "In the first year I'll find out any problems. In the second year I'll come up with solutions. In the third year I'll put them into practice." That will bring him neatly to the end of his threeyear contract, but as he will only be 62 he hones for another three years of quiet success.

When Tusa thought about applying to the Barbican his friends queried whether it was a real job. What was there to do in an arts centre



New challenge: John Tusa is optimistic as he prepares to take over a daunting task

which has both a successful resident orchestra and a successful theaire company, the RSC? What was there to manage but the exhibition centre, the bars and restaurants, the toilets and the security

staft? Since then a real job has materialised. Adrian Noble's decision to tour the RSC for the six summer months from 1997 has opened up unexpected options. One of Tusa's first tasks will be to negotiate a new contract for the RSC when it returns to the Barbican and Pit theatres in the autumn of 1997. His

second task will be to market the theatre for six months a year.

Mindful of one of O'Cathain's weaknesses, Tusa maintains that he

will give Sheffield a free hand on the creative side. "I don't want to programme concerts. I've not the skill or the knowledge. I want to get all the people under this one roof talking. The ideas will flow and the missing synergy will return."

Tusa is greatly helped by the repeat at the Barbican the task he was hired for at the South Bank: to make good the shrinking audience for classical music by imaginative programming in other areas. Shef-field has been at the Barbican for a month but has already conducted an audit of the place and come up with ideas.

Sheffield wants to attract new promoters to the Barbican, offering more jazz, more world music, even more pop, although he does not envisage the Barbican shedding its classical robes quite so energetically as the South Bank.

He believes that the promoters' and Barbican's budgets can be pooled on joint marketing campaigns. He wants flexibility on programming: "Why do all concerts have to start at 7.30?" He expects more appearances by regional orchestras, like the recent success of the Bournemouth Symphony.

In the theatre during the sumn months Sheffield anticipates world theatre seasons, visits by provincial companies, more dance theatre. He vants to attract the foreign artists who visit the Edinburgh Festival but give London a miss, such as Pina Bausch: "The Barbican is unique in London because it is the only theatre inside an arts centre so it can be integrated with the concert hall, the cinemas and the art

Tusa is likely to agree with Sheffield's ambition to pull all the arts activities of the Barbican together. It is an ambition expressed by every previous managing director and every arts director, but this time there seems more of a will, and an awareness that the City will be sup-

Another attempt will be made to resolve the ingrained problem of the Barbican: the contrast between its austere, ugly exterior and its warm interior. Art works could be commissioned or borrowed for the outdoor spaces, and greater use made of the sculpture court and conservatory. Artists may be asked to submit ideas on how to transform the bleakest thoroughfare in London, the road tunnel that runs alongside the centre. The local population will be wooed and educational projects

With the RSC away the opportunity will be taken to improve the theatres. The Pit will be increased in size by dismantling a nearby unused rehearsal room, and the Barbican theatre transformed by new seating, a spring stage for dance, better acoustics and a modern audio visual system. It is probable that the theatre will be closed during most of the summer of 1997

Tusa has one central strategy: "To make the whole greater than the sum of its parts." He sees man-aging the Barbican as similar to his task at Bush House where he ran the BBC World Service; the same mix of making sure that both the

building worked and the staff. Ironically, in her last year O'Cathain pushed through many improvements, not least in the acoustic of the concert hall and the comfort of the facilities. Ironically again, Tusa shares with her a history of falling out with colleagues: he resigned as president of Wolfson College, Cambridge, after just nine months. At the Barbican, though, there is much optimism and confidence. The City's arts gift to the nation may at last amount to some-

Dance/Clement Crisp Golden moments under Umbrella

This Dance Umbrella scason is proving more distin-guished than some in recent years, which have resembled a the dansant in purgatory. A festival that shows creativity by Cunningham, Richard Alston, Siobhan Davies, Mark Baldwin, phant and Matthew Hawkins, is one to salute. (It is the very nature of the beast that amid such gold there will be dross-dance; but we ignore it in the hope that, like the drunk in the railway carriage, it will go

Mark Baldwin showed work at Riverside last week, and his creations are so intriguing that I am almost prepared to forgive the management for the Little-Ease seating they provide in Studio 1. (Do they suppose that the dance public is made up of midgets with novocained posteriors who like to play sardines? The Tokyo metro at rushhour is more congenial than this forcing house for discomfort.)

Baldwin, latterly with Rambert, has been making disconcerting, witty, side-ways-on dances for the past few years, and each time I see them I am fascinated by his musical sense - never obvious, oddly right ~ and by his cursive, curlicued handwriting as a creator. Scale is small a company of seven dancers – but artistic horizons are broad.

ast week's show repeated two pieces I have written about ⊿admiringly in the past. His Concerto grosso has dance placed firmly on the music as four performers (Shelley Baker, Paul Old, Deborah Saxon, Vivien Wood: all excellent) sail with lively and easy skill on the Handelian phrase. Out of Doors explores Bartok's piano suite (played with fine understanding by John Sweeney), pointing out its emotional and dramatic qualities. The night music section is very fine, a nocturne in the depths of the country where we see movement of birds and predatory animals amid mysterious rustlings and cries.

There were also three brief solos: clever, a bit indulgent, though Baldwin's own outburst of sly jokiness is the sort of thing that his friends probably hail as "Exactly like him!". The big new piece was Vespri, with a Monteverdi score and, I gather, experiment with movement from Life-form computer graphics and video film. Whatever the ingre dients, the dance is unexpected, and intriguingly set with or against or across the score. You watch, fascinated, as action curves round and through the music. The ear may momentarily rebel, but choreo-graphic logic, the sudden click as lance and sound match, reveal how clever is Baldwin's scheme, and how alert his talent.

At the Queen Elizabeth Hall (tout confort moderne be it gratefully



Stardust: Isabel Tamen and Christopher Tudor

noted) on the next night, Richard Alston showed his newest stagings for his Dance Company. Very welcome the revival for the troupe of Rainbow Bandit, which is now a classic of post-modernism. Serene. long-lined dance in silence, its phrases interlocking, is the calmest of forerunners to the bright dynamics that follow as Charles Amirkhanian's spoken text ("Rainbow/check/bandit/bomb" woven into a complex fabric of sound) drives movement onward. The piece is still exhilarating. I think it would be more so were the costuming (by Belinda Ackerman) le es bold. Brigh leotards, torsos block-like in solid bands of colour, make the dancers look heavy. This is exactly what the choreography does not do.

Alston's new piece is Sometimes I wonder, a tribute to Stardust, which we are told is the most recorded song of all time. So 10 (out of 1,300) versions are played, and the dance coasts along with them. The melody is insidiously memorable in its line. The lyrics are emetic, invoking nightingales telling fairy-tales and "the melodee of love's refrayne". Though we only have four sung versions, the sum effect is dire, with the dazzling exception of Art Tatum's Lisztian display.

Alston's movement hints at social (styles around at the recording date) as well as emotional matters, but the song is really such a bore that the choreography looks more gratuitous than apt. The costuming is not of the happiest in cut or colour. The dancers are willing, and Leesa Phillips and Andrew Robinson, with a newcomer, Ben Ash, are notably good.

INTERNATIONAL

■ AMSTERDAM

OPERA/BALLET Het Muziektheater Tel: (020) 551

The Flying Dutchman: by Wagner. Conducted by Graeme Jenkins and directed by Richard Jones, Soloists include Harald Stamm, Karen Huffstodt, Mark Baker and Hebe Dijkstra; 8pm; Nov 7, 9

■ BERLIN GALLERIES

Bauhaus Archiv Tel: (030) 254 020 The A and O of the Bauhaus: more than 400 Bauhaus advertising designs that demonstrate their printing, typography and graphics; to

■ BRUSSELS

CONCERTS Beaux-Arts Tel: (02) 507 8200 Belgian National Orchestra: Yuri Simhov conducts Magnard's *Hymne á la Justice", Dvořák's "Concerto, opus 104" and

Rachmeninov's "Symphony No.3"; 3pm: Nov 12

 Collegium Vocale: Phillipe Herreweghe conducts Purcell's "Hail Bright Cecilia" and Humphrevs Three Anthems"; 8pm; Nov 10 Ensemble InterContemporain: Pierre Boulez conducts Berg,

Webern and Schöenberg; 8pm; Nov

Conservatoire Royal de Musique Tel: (02) 675 5414 Peter Donohoe: pianist plays Prokofiev's Sonata's six, sev eight, 8pm; Nov 6

LONDON

CONCERTS Royal Festival Hall Tel: (0171) 928

 BBC Symphony Orchestra: with soprano Judith Howarth. Richard Hickox conducts Britten, Nyman and Elgar, 7.30pm; Nov 9 Royal Opera House Tel: (0171) 304 4000

 Manon: directed and choreographed by Kenneth Macmilian to the music of Massenet and conducted by Barry Wordsworth; 7.30pm; Nov 7, 8, 11

Swan Lake: choreographed by Marius Petipa and Lev Ivanov. Vikotor Fedotov/Anthony Twiner/ Barry Wordsworth conducts Tchaikovsky, 7.30pm; Nov 6, 9, 10 OPERA/BALLET English National Opera Tel: (0171)

• The Barber of Saville: by Rossini. Conducted by Jane Glover and directed by Henry B. Little from the original direction by Jonathan Miller. Soloists include Alan Ople, Jean Rigby/Fiona James, Charles

Workman and Gordon Sandison; 7.30pm; Nov 9

 The Fairy Queen: by Purcell. A new production conducted by Nicholas Kok and directed by David Pountney. Soloists include Yvonne Kenny, Janis Kelly, Mary Hegarty and Yvonne Barclay, 7.30pm; Nov

THEATRE National, Cottasioe Tel: (0171) 928 2252

 Cyrano: by Edmond Rostand, adapted by Ranjit Bolt and directed by Anuradha Kapur. Rostand's French romance relocates to 1930's india with a mixture of colour, live music and dance. Cast includes Naseeruddin Shah: 7.30om: Nov 8. 9 (2.30pm), 10, 11 (2.30pm), 13 Skylight: by David Hare. Directed by Richard Eyre and starring Michael ambon and Lia Williams; 7.30pm; Nov 6, 7 (2.30pm)

National, Lyttelton Tel: (0171) 928 2252 ● La Grande Magia: by Edouardo de Filippo in a translation by Carlo Ardito. Richard Eyre directs Alan

Howard and Bernard Cribbins in de Filippo's comedy; 7.30pm; Nov 10, 11 (7.15pm), 13

LOS ANGELES CONCERTS Dorothy Chandler Pavillon Tel: (213) 365 3500

 Los Angeles Philharmonica. Mikhail Pietnev conducts Beethoven's "Symphony No.4" and Tchalkovsky's "Symphony No.6"; 8pm; Nov 9, 10 (1.30pm), 11, 12 (2.30pm) Museum of Contemporary Art Tel:

Oycles, Strategies, Dialogues: works created during the 1980's from the museum's permanent collection that survey the decade of asethetic investigation; to Nov 12

■ NEW YORK

CONCERTS Carnegie Hall Tel: (212) 247 7800 Budanest Festival Orchestra: with pianist Zoltán Kocsis, mezzo-soprano lidikó Komlósi and bass Kolos Kováts, Ivan Fischer conducts an all-Bartók programme; 8pm; Nov 11

 Chicago Symphony Orchestra: concert performance of R. Strauss' "Bektra" conducted by Daniel Barenboim, Soloists include Deborah Polaski, Alessandra Marc, Ute Priew and Falk Struckmann; 8pm; Nov 9 plays Argento, Scarlatti, Mahler, Faurė and Granados; 8pm; Nov 13

OPERA/BALLET New York City Opera Tel: (212) 307 4100 Temple of the Golden Pavilion:

by Mayuzumi, A new production directed by Jerome Sirtin and conducted by Christopher Keene. Based on a novel by Yukio Mishima in an English translation by Christopher Keene; 8pm; Nov 8 Turandot: by Puccini. Conducted by Guldo Aimone-Marsan and produced by Jonathan Eaton; 8pm; Nov 7 (6.30pm)

PARIS

CONCERTS Champs Elysées Tel: (1) 49 52 50

 Festival Orchestra of Brescia and Bergamo: with pianist Zoltán Kocsis.

Iván Fischer conducts Bartók's *Concerto for Piano and Orchestra

No.2"; 8.30pm; Nov 7 Festival Orchestra of Brescia and Bergamo: with planist Zoltán Kocsis. Ivan Fischer conducts Bartok's "Concerto for Piano and Orchestra No.3"; 8.30pm; Nov 8

 Festival Orchestra of Budapest: with planist Zoltán Kocsis. mezzo-soprano lidiko Komiosi and bass Kolos Kováts, Iván Fischer conducts Bartók's "Concerto for Plane and Orchestra No.1": 8.30pm:

 National Orchestra of France: Evgeny Svetlanov conducts Tchaikovsky; 8pm; Nov 9 GALLERIES Musée Du Petit Palais Tel: (1) 42

65 12 73 In the Shadow of Vesuvius: works from the Museo Archeologico Nazionale di Napoli which includes statues, frescoes and ceramics; from

Nov 8 to Feb 25 OPERA/BALLET Opéra National de Paris, Bastille

Tel: (1) 47 42 57 50 Eugène Onégin: by Tchaikovsky. A new production produced by Willy Decker and conducted by Alexander Anissimov. Soloists Include Gerlinde Lorenz, Solveig Kringelborn/Galina

Gorchakova, Anthony Michaels-Moore; 7.30pm; Nov 9, 11 ◆ Les Variations d'Ulysee: 2 new production choreographed by ean-Claude Gallotta to the music of Jean-Pierre Drouet; 7.30pm; Nov 6, 12 (3pm)

VIENNA

GALLERIES Architektur Zentrum Wien Tel: (1)

 Architecture and City: part of the "80 Days" Architecture Festival. This festival presents a broad range of discussions, concepts and projects in the field of urban architecture; to Nov 12

■ WASHINGTON CONCERTS

Kennedy Center Tel: (202) 467 4600 Itzhak Periman; violinist with

pianist Samuel Sanders; 7.30pm; National Symphony Orchestra:

with violinist Laurence Kayaleh, Leonard Statkin conducts Mumford, Hartke, Bruch and Mahler; 8.30pm; Nov 7 (7pm) National Symphony Orchestra: with soprano Kathleen Battle.

Leonard Statikin conducts Previn and other orchestral works; 8.30pm; Nov National Symphony Orchestra: with mezzo-soprano Jard Van Nes.

Leonard Statkin conducts Adler. Purcell, Britten, Berlioz and Corigilano; 8.30pm; Nov 9, 10, 11 OPERA/BALLET Washington Opera Tel: (202) 416 7800

 Der Rosenkavalier: by Strauss. Conducted by Heinz Fricke and directed by Michael Heinicke. Soloists include Helen Donath, Jeanne Piland, Eric Halfverson and David Evitts; 7pm; Nov 11, 13 Luisa Miller: by Verdi. Conducted by Richard Buckley and directed by Christopher Mattaliano, Soloists Include Veronica Villarroel, Lando Bartolini, Haljing Fu and Gabor Andrasy; 8pm; Nov 9, 12 (2.30pm)

WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ

EUROPEAN CABLE AND SATELLITE **BUSINESS TV** (Central European Time)

MONDAY TO FRIDAY NBC/Super Channel:

07.00 FT Business Morning 10.00

European Money Wheel Nonstop live coverage until 14.00 of European business and the financial

Financial Times Business Tonight

Midnioht Financial Times Business Tonight

Michael Prowse • on America

The assault on aid

Rather than criticise, the doubters should ask whether Republican policies are good or bad for the third world

It must seem inexcusable. The US is one of the world's rich-Republicans can surely argue est nations. Yet as part of that in cutting official aid, their drive to balance the fedthey are respecting the true eral budget, Republican negopreferences of US citizens. tiators from the Senate and Listening to third world lob-House of Representatives have byists, you might imagine agreed to cut foreign aid by that official aid is an essential about 10 per cent in cash terms to \$12.1bn (£7.65bn). The cuts are being imposed

engine of development. If it were, there would have been no economic development prior to the 1950s, when aid flows mushroomed, in part to on an aid budget that already looked miserly by international standards. In 1993 the combat the spread of commu-US devoted just 0.15 per cent Incredibly enough, the Britof gross domestic product to aid, putting it bottom among ish industrial revolution got leading industrial countries. under way without any guid-The Scandinavian nations ance from the World Bank or

International Monetary Fund. When Japan wanted to industhe most generous donors regularly contribute about 1 per cent of GDP. trialise itself in the 1870s, it Critics point out that some did not demand grants from of the deepest cuts are being rich European nations; it sent people to study the latest imposed on aid given through industrial techniques and multilateral organisations. even though it is more effi-ciently administered than then copied them. Even in recent times, development has depended mainly on nations' bilateral aid. The biggest casualty is the International Develown efforts: east Asia is far opment Association (IDA), an wealthier than Africa, not because it has received more affiliate of the World Bank aid but because it had the that lends at nominal interest rates to the poorest nations. political will to pursue market-friendly policies.

The US is cutting its IDA contribution to \$700m from Official aid is rapidly declining in significance because of \$1.2bn in fiscal 1995, a reduction that many aid experts the big expansion in flows of argue threatens the future of private capital to developing the scheme. No austerity. countries, as the chart shows. Sceptics will retort that a needless to say, is being demanded of geopolitically dozen countries (many in favoured nations: Israel and Asia) absorbed 80 per cent of Egypt will get \$5.1bn, more the private flows last year. than 40 per cent of the total aid budget.

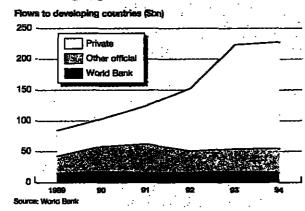
The distribution of these cuts is indefensible. If Washington is to remain in the development business. IDA is the sort of programme that deserves support. But I do have some sympathy for the scepticism about official assistance that underlies the US

Note that Republicans are reducing only one category of aid: that which the US government forces citizens to provide via taxation. There is nothing to prevent individuals increasing their voluntary contribu-tions to charities such as Save the Children. Indeed, if private giving does not rise. But this is precisely the point. sary reforms, economic The market forces everyone to compete. Developing countries that embrace the kind of policies expected to generate sustained growth - and hence high investment returns will not be overlooked for long. A profit is a profit: Wall Street would be only too happy to market African growth funds. But it will not do so until concrete economic

reforms are enacted. The crucial question is whether multilateral agencies can help the laggards get into shape. I have reservations, but they are far removed from the doubts frequently expressed by voluntary groups such as Christian Aid. The charities seem to think that officials at the IMF and World Bank are too tough, that they inhibit growth by attaching unnecessarily restrictive conditions to loans. In my experience such officials are anything but hard-nosed. They tend to believe strongly in interventionist policies and are desperately keen to help poor coun-

Problems arise, ironically, because they often make loans without demanding sufficiently ambitious structural reforms. They give nations an undeserved seal of approval, and stimulate private lending that would not otherwise occur. Yet because recipients fail to implement the neces-

Declining significance of official aid



growth does not speed up. And the client country even tually finds itself unable to service the original loans. Many African countries have unrepayable debts, not because multilateral agencies were too harsh, but because the agencies lent too readily given these nations' weak

commitment to reform. Rather than chastising the US for cutting back on official ald, critics should ask whether Republican policies, as a whole, are good or bad for the third world. One of the ironies of the present debate on development is that those who shout loudest for more official aid strongly defend domestic economic policies that directly damage the interests of poor countries.

Think of the numerous restraints that rich countries impose on exports from the third world, especially in agriculture. Yet are aid activist prominent among those demanding free trade in any sphere?

Consider fiscal policy. By running scandalously high budget deficits, industrial countries have almost certainly substantially increased the global level of real interest rates, thus undermining devel oping countries' ability to borrow to finance investment. The only feasible way to reduce these deficits is to reduce growth of social spending in rich countries - for example by privatising pensions or asking parents to pay just a little towards the cost of education. Yet do aid activists favour a contraction of wel fare at home?

Those heartless Republicans, on the other hand, are willing to curb social programmes. They do believe in free trade. And they have produced the first credible proposal for balancing the US budget in quarter of a century a proposal that includes

cuts in farm subsidies. They may be opposed to foreign aid. but they are not anti-development.

LETTERS TO THE EDITOR.

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). e-mail: letters editor@ft.com Translation may be available for letters written in the main international languages.

A flexible approach to air traffic management

From Mr D. K. Reynolds. Sir, In a speech last month at the European Aviation Club's Symposium on Air Traffic Control in Brussels, Sir Christopher Chataway, the Civil Aviation Authority chairman, said: "I can find no convincing argument to European International Institution as the single system authority responsible for planning, financing, managing, operating and maintaining

Europe's Air Traffic Control System. This is a collection of very difficult complex businesses operating in 34 different highly political extraordinarily unlikely that

the political and management genius exists to run all these organisations as a single

The Guild of Business Travel Agents, whose members handle the bulk of business air travel from the UK, could not agree more. However, it entirely misses the point which we, along with the leading airline associations in Europe, have been making. What Europe needs is for its

various national air traffic management networks to operate as a seamless single system. Such a system, while overseen by a single authority with the powers to enforce decisions collectively agreed, would not require the

establishment of one large bureaucratic authority, as Sir Christopher appears to assume. All that is required is the political will from European Union member states to organise air traffic management in Europe in the most efficient manner possible.

There are some aspects of air

traffic management that would

benefit from greater centralisation, while others should remain within the province of individual states. It is significant that the ministers of transport of the European Civil Aviation

Conference agreed last year to "a study ... of the institutional arrangements best suited to support the

implementation . . . of the en-route strategy, respecting the sovereignty interests of the states; and taking into consideration all options. including a single authority for European air traffic

management". Rejecting the extreme of a single bureaucratic authority does not necessarily mean that other much smaller and effective authorities would not be better than the present inefficient situation.

D. K. Reynolds, chief executive. Guild of Business Travel Agents. Artillery Row. London SW1P 1RT, UK

North west UK no magnet for inward investment

From Mr Jeffrey Gazzard. Sir, The article "Airport lures investors to northern honeypot" (October 31) painted a picture of inward investment in the north west of England that those of us who live here find hard to

Feature Films for Families' investment here is a small telephone sales call centre marketing its range of "wholesome" videos direct to the public. The jobs it provides are welcome but hardly on the scale of, say, Samsung's plant in County Durham.

The north west has sadly performed significantly less well in inward investment terms than Scotland, Wales or the north east of England over a number of years, despite the alleged attractiveness of Manchester Airport. If the chief executive of Manchester's Chamber of Commerce description of Ringway as the north's economic "honeypot" is true, then where are our Samsung, Nissan or Toyota equivalents?

Each potential investor weighs up a range of criteria site, labour, grant assistance, transport infrastructure and so on - before sticking the pin in the map. Presumably by not

From Ms Jana Johnson.

actually seems quite

Sir, as Andrew Bolger says

in "Epidemic' of longer hours

hits families" (October 26), this

trend of long working weeks is

In fact, the title of the article

appropriate in comparing it to

Like a disease, this extra

suffer, lowers the morale of

employees and increases

employee health costs for

time at work causes families to

companies. Even if these personal issues

investing in the immediate environs of Manchester Airport and daring to go elsewhere, investments totalling billions of dollars have been made in the UK by some of the world's largest companies.

With 75 per cent or more of Manchester Airport's millions of passengers being outward-bound leisure travellers, the only economies guaranteed to benefit from future expansion are those of places such as Florida, Spain and Greece.

Manchester's route network has suffered a number of setbacks recently, with Qantas South African Airways, British Airways and American Airlines all ceasing services on some routes, citing lack of profitability because of the absence of high-yield business

Most commentators accept there is plenty of room for growth left at Manchester with a single runway, and Liverpool Airport is willing and able to develop to handle an increasing share. Surely this is the solution to aim for?

Jeffrey Gazzard 27 Delmar Road. Knutsford. Cheshire WA16 8BG, UK

did not matter, this disease

causes decreasing levels of

performance, which has a definite effect on the economic

productivity and individual

I wonder when companies

will realise that encouraging

long hours is a mistake and

decide to curb the spread of

this disease called overtime.

2407 Eighth Street,

Oregon 97141,

Score settled with the All Blacks

From Mr Alistair Budd. Sir, I would like to make a minor correction to Keith Wheatley's column "The biology of performance"

(October 16). South Africa defeated New Zealand, not Australia, in the Rugby World Cup final in June

Like many English rugby

supporters, I have all-toovivid memories of New Zealand's comprehensive defeat of England in the World Cup semi-final in Cape

Alistair Budd, 20 Rue du Nord, CH-1180 Rolle, Switzerland

Ford obliged to pass cost savings on to customers

From Mr Jeremy G. Thorn. Sir, I write with regard to the recent pay demand by workers at Ford Motor "Ford pay offer well below union claim", October 27).

Having no involvement in the automotive industry other than as a customer, perhaps I can say openly what most automotive suppliers and their workforces must think.

As I understand it, suppliers to Ford Motor and other vehicle companies are being told that they cannot expect to impose price rises for the next few years, notwithstanding rising raw material prices. Indeed, rather than price stability, most vehicle companies seem to be expecting price reductions from suppliers - which can only come from greater efficiency, including reduced

unit labour costs. Perhaps Ford's workforce has already made significant reductions to unit labour costs since the last pay round. More credibly, the initial claim by

cent pay rise and a 5 per cent reduction in the working week is no more than the usual pay bargaining posturing. Charges by the TGWU general union and AEEU engineering union that Ford's offer of 3 per cent is an "insult" may also be no more than routine negotiating

However, if suppliers are expected to seek cost savings and pass them on to Ford, should not Ford - and its workforce - be seeking further cost savings themselves, and pass at least some of these on to customers? Otherwise, any cost reductions achieved by Ford's suppliers will only serve to pay for Ford's wage rise. Wouldn't that be the ultimate insult, both to employees at Ford's suppliers and Ford's customers?

Jeremy G. Thorn, managing director. Quantum Enterprise Development, 239 Graham Road,

South Yorkshire S10 3GS, UK the Ford unions for a 10 per

Sending letters on the Internet Letters to the Editor may now be sent by e-mail on the Internet to letters.editor@ft.com

A postal address and daytime telephone number should be included, and letters should be no more than 400 words long. The FT e-mail address is for letters intended for publication only and not for general correspondence, articles or any other

Personal View · Samuel Brittan

Long hours are bad for business

Symbolism of lighthouses

Maritime aids cast a guiding light in the battle between rival economic doctrines



The lighthouse has long been a symbol of order in a world of chaos.
Its symbolism

stretches to economics, where it has been used by classical writers from Adam Smith onwards as an example of a public good that cannot be supplied by market forces and has to be left to government provision. The example has been cited time without number, to show that, so far from advocating crude laisser-faire, classical economists recognised well enough when intervention was

But lately I have been quietly reduked for using this example by some of the more fervent free marketeers who say: "Don't you know that the lighthouse example is all wrong? It is one of dozens of cases where Smith conceded too much to the interventionists." As the re-examination of the lighthouse is largely the work of Prof Ronald Coase, the English Nobel Prize winner, whom I mentioned in this column last Monday, I decided to investigate further. Coase's account is to be found in The Firm, the Market and the Law, a slim paperback volume published by the University of Chicago Press in 1990, which has the advantage of containing all the classic papers for which Coase received his prize.

He has based his lighthouse analysis not on Smith directly but on the 19th century political economist, John Stuart Mill, and successors down to Paul Samuelson in our own day. The fully developed inter-

ventionist case states: Private enterprise light-houses will never be profitable because there is no way of ensuring that passing ships pay for the benefits they

 Even if charging were possi-ble, it would be inefficient. The cost of providing a signal for an extra ("marginal") boat is virtually zero. So the price mechanism leads to under-util-isation of lighthouse facilities. It is therefore best that lighthouses be financed from the general revenue. (This second argument turns up in broadcost to a channel of an extra viewer is also almost zero.)

Coase reminds other economists that the provision of lighthouses in Britain has been the responsibility of Trinity House since 1566. This is a typical British institution, a private corporation with public duties (like the pre-war Bank of England). It is controlled by "elder brethren" - the master of whom is the Duke of Edinburgh. Like many such institutions, it lapsed into sloth during the 17th century and for a time built no new lighthouses. But it did grant leases to indi-viduals whose tolls were collected by customs officials at

By 1759 four lighthouses in succession had been erected by private enterprise on the Eddystone rocks off Plymouth. By 1820 there were 22 private lighthouses and 24 operated by



Trinity House. In the course of the 19th century, the leases of these private operators fell due and Trinity House took them over. "Light charges" are now levied at the ports by the Customs and Excise, although there have been discussions about transferring the responsibility elsewhere as a result of new customs procedures in the EU single market. Some ship-owning bodies

have, unwittingly, followed in the wake of mainstream political economists in urging that the government should finance lighthouses from general revenue. Coase is very much against this. For if the government financed lighthouses directly, it would have to regulate and inspect them, which would raise costs. Coase cannot resist quoting a definition of the American lighthouse as "a tall building erected on the

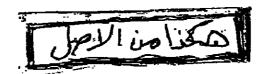
ment maintains a lamp and the friend of a politician". The UK system gives everyone an incentive to hold down costs, since Trinity House has to sub-mit its budget to the Department of Transport at an annual conference, where the Chamber of Shipping is also represented.
The UK system of charging

also avoids the problem of under-utilisation. For lighthouse charges are levied only on the first seven voyages each year of a foreign-going ship.
This means, in the typical case,
that it will be paying zero for
its marginal lighthouse use,
which would gladden the hearts of orthodox economists.

Coase does not actually urge a return to ownership by dozens of individual lighthousekeepers, saying that he is merely drawing attention to the numerous possibilities open. He is mainly concerned to rebuke "blackboard econo-mists" for not investigating what actually happens. But I cannot help pointing out to his putative ultra-free market followers that the Trinity House system, which he regards as at least less bad than pure state finance, involves nationwide rate flxing and negotiations between trade bodies, which they would denounce as corporatist if proposed by a political party for a modern industry.

if I must draw a moral, it is that markets have indeed. many more possibilities than their critics suppose, but that they require a much more subthe political, institutional and legal structure to function than is dreamed of by the enthusiasts who frequent the free-market think-tanks.





Fod low

FRANKFURT

STOCK EXCHANGE THRNOVER- DM BN

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Monday November 6 1995

He shall not die in vain

The shocking assassination on Saturday of Yitzhak Rabin by a Jewish religious fanatic cannot be allowed to undermine his efforts to secure peace in the Middle East. Today's funeral of Israel's soldier-prime minister will be an extraor-dinary display of international solidarity with Israel and support for the peace process. It should also be the occasion for Israel's political establishment, viscerally divided over the wisdom of a settlement with the Arabs, to rally behind Mr Rabin's successor and fellow architect of peace, his for-

eign minister Shimon Peres. All that is the natural, immediate response to such a murder. But it will serve for little unless it produces a lasting conviction that there is no other path for Israel than the difficult road to peace chosen by Mr Rabin.

The former general who conquered the West Bank, Gaza Strip, and the Golan Heights in the 1967 Arab-Israeli war was a reluctant peacemaker. Logic, pragmatism of a particularly military kind, and concern for the nature of the Jewish state he helped bring into being all led him to conclude that Israel could not continue to rule over 2m Palestinian Arabs against their will Israel, in his sober analysis, would never be secure while a fast-expanding Arab population seethed with resentment against an occupation which was moreover, brutalising Israeli society.

Verbal terrorism

Saturday's killing was a horrific example of that brutalising process. It was preceded by a campaign of verbal terrorism conducted by extremist Jewish settlers and rabbis opposed to any surrender of occupied land, who painted Rabin as a murderer and a traitor. The right-wing Likud party, manoeuvring to defeat Mr Rabin's minority Labour coalition government at elections due by next November, provided a respectable umbrella for that campaign, not least by threatening to renege on the self-rule accords with the Palestinians, and to refuse to return the Golan Heights to Syria in exchange for peace.

The Rabin murder should dem-instrate to the Likud and its sunextremism is to pit Jew against serve the purpose of peace.

. Zi

100

1.50

214

PART OF THE PART O

....

-L. la.

7.

-

marie: *** Jew, in a way which corrodes Israel's democracy and which, taken to its logical limits, could invite civil war. There was a hint of such realisation yesterday in Likud leader Benjamin Netanyahu's pledge to endorse Mr Peres as acting prime minister, and in his remark that "in a democracy, a government is changed by elec-tions, and not by murder." But Mr Peres will need to do more than rely on a temporarily chastened

Secure future

Mr Peres has always come across as more philosophically committed to peace than Mr Rabin. But it was the slain pre-mier – often Hamlet-like in his indecision before taking specific steps towards peace - who had the confidence of the generals, and whom a majority of Israelis believed could be trusted with the country's security.

The process of spreading Palestinian self-government throughout most of the West Bank has barely started, but Mr Peres must quickly convince civilian and uniformed Israelis that therein lies their best hope of a secure future. It is not yet clear whether next year's elections will be brought forward. But Mr Peres needs in any case to establish his authority

immediately.
He should make clear to the fractions government coalition that Israel has no option but to follow through with its choice of peace. That also means a reinvigorated attempt to restart substan-tive negotiations with Syria, stal-led since the summer. He should challenge Likud and the right to distance themselves unequivocally from the sort of agitation which led to Saturday's tragedy. He also has the right to expect that President Ezer Weizman ceases his calls to halt moves towards Palestinian self-government - a contributory factor to recent doubts about the peace process.

In a letter Mr Peres wrote at the

time of the 1993 breakthrough in Israeli-Palestinian negotiations, he remarked that "the biggest risk of all is the inability to take any risks." That is the message he urgently needs to convey to his porters that to temporise with people if Mr Rabin's death is to

Fed lessons on Daiwa

The Federal Reserve's decision last week to order the closure of all Daiwa Bank's operations in the United States seems a draconian response to the alleged cover up of \$1.1bn (£733m) of trading losses in the bank's New York branch. Given the Fed's own failure to secure the separation of custody and trading functions at the branch, there is bound to be a suspicion that the action was partly self-serving. Some may also question the wisdom of such a punitive move against the world's 19th largest bank when nervous international markets are impos-ing shortening maturities and a higher cost of dollar funds on Japan's banks.

In fairness to the Fed. the nature of the alleged fraud is almost beyond comprehension at a bank of this size and stature. Daiwa's New York branch is said to have concealed the existence of a Treasury securities trading office by disguising it as a storeroom before inspections by US bank supervisors. The bank is accused of lying over compliance with demands to tighten internal controls. Its officials are also alleged to have systematically deceived the US authorities once the fraud was discovered. Given the resulting worries about the quality of control and oversight at Japanese banks in the US, there was a powerful case for termination pour encourager les outres, as well as to deal with Daiwa itself.

Public hostility

The Fed's decisiveness also offers a salutary lesson in crisis management to the Japanese authorities. In dealing with a full-blown banking disaster the Ministry of Finance and the Bank of Japan have been irresolute. Operating against a background of public hostility to the use of taxpayers' money in bank bail-outs, they have kept weak banks affoat while seeking to downplay the extent of the crisis. The result is that the remaining sound banks

are being undermined. Now that there is a greater readiness to contemplate liquidation at insolvent financial institutions, the costs of this muddlethrough approach are becoming all too apparent, notably at the insolvent jusen housing loan corporations. Nearly half the Y14,000bm (£86bn) loan book of these affiliates of the big banks is thought to be completely worthless. Yet if the banks are required absorb most of the jusen losses, their own balance sheets will be badly holed.

It is a measure of the incompe tence of the handling of this slow-motion crisis that the banking system of the world's largest creditor country is having to pay a pre-mium for dollar funds, and that the central bank of the world's biggest debtor country is offering its services as a lender of last resort. This borders on absurdity, not least because the real problem in Japan is one of solvency rather

Continuing solution

The Bank of Japan has recently heen responding to the banks' dol-lar funding crisis by pumping liquidity into the domestic money market. Japanese banks, recently freed from foreign exchange restrictions, have then converted their yen into dollars. That is the obvious, continuing solution to any liquidity problems. Yet solutions cannot always be smoothly implemented when confidence is fragile, Estimates of Japanese banks' short term dollar liabilities range up to Y100,000bn, which gives a broad indication of the extent of the recycling challenge. It also gives grounds for unease over the possible confidence effects of the Fed's high-profile

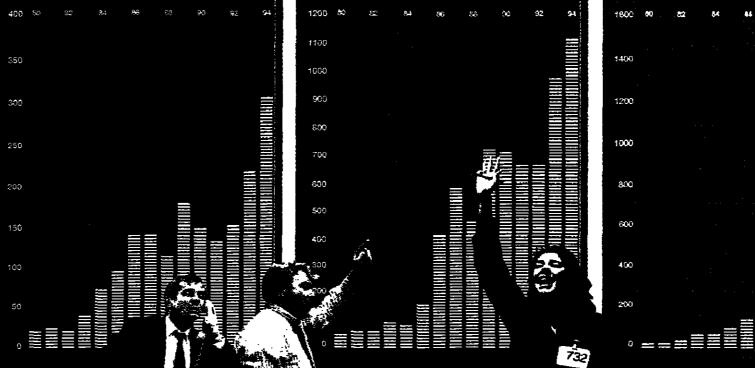
action against Daiwa. The means of recapitalising the Japanese banking system are now partly in place. Monetary policy has been loosened, so that the banks are generating large profits on their extensive bond holdings. With husiness investment no longer plunging, expansionary fiscal policy will deliver a more power-ful stimulus. A financial meltdown is a remote, but not impossible outcome. It would be more readily avoided if the Japanese confronted their difficult problems with a greater sense of purpose.

There can be no resolution to

the banking crisis without substantial resort to taxpayers money. Until that fact is faced there will be no worthwhile resumption of economic growth in

AMSTERDAM

STOCK EXCHANGE TURNOVER; FL BN



Bourses bite back at London

STOCK EXCHANGE TURNOVER: FFR BN

The City's pre-eminence in cross-border share dealing is under threat from continental exchanges, says Norma Cohen

n the late 1980s, the London Stock Exchange renamed itself the International Stock Exchange. The name failed to stick and after a while, it reverted to the use of its original

The exercise gives some idea of the ambitions of an organisation which, up until a few years ago, could rightly proclaim itself as the centre for European share dealing. But the growing muscle of the European bourses is challenging that role and raising questions over whether London can remain a centre for international share trading. Mr Rudolf Mueller, chairman of UBS UK, a division of Union Bank of Switzerland, last week delivered a broadside at the exchange, saying it had "missed the boat" to become

the central stock exchange of Europe. After five years on the board of the exchange, Mr Mueller resigned in August, a year before the end of his term. He says his resignation was precipitated by "disappointment" over its failure to seek co-operative arrangements with European stock exchanges which would have helped the London market preserve its pre-eminence in cross-border share dealing.

For years, London had dominated cross-harder share trading through the Stock Exchange Automated Quotation International system (Seaq I) – an electronic bulletin board which marketmakers use to advertise large blocks of shares for purchase and sale. Such was Seaq Is role that the exchange for years cited statistics indicating that 90 per cent of all cross-border trades in Europe were executed there.

But London's competitors have fought back. They have invested significant sums on modernising their trading and settlement systems to allow low-cost trading that rivals London. Local member firms have become more willing to invest capital in buying and selling shares for their own account. All of this has lifted bourse turnover.

"Seaq I has declined and the real liquidity has tended to go back to the home markets [of European equities]," says Mr John Woodman, chief operating officer for SBC Warburg's European equity business. As the continental European bourses have modernised, firms such as SBC Warburg have become members, he says.

Mr Laszlo Biriyni, director of Biriyni Associates, a Connecticutbased research firm, says that busi-ness is migrating back to local exchanges and brokers because investors now realise that these typically provide the best price for shares of local companies.

There used to be a thought that if you wanted to trade, say, shares in IBM overnight, you could do it in Tokyo or London," Mr Biriyni says. "But then people realised that if you did, the intermediary executing the order was going to extract his pound of flesh."

This migration from London is not reflected in the published statistics, which show no decline in trad-ing on Seaq I Indeed, they appear to show the reverse: international share turnover in the 12 months to March 31 1995 was £696bn, according to the exchange's annual report, up from £273bn five years earlier. However, marketmakers say this

exchange regulations which require

When UBS UK became a member of the Stockholm Stock Exchange

earlier this year, it did not have a

UBS was the first foreign firm

allowing "remote membership" of the Swedish Stock Exchange.

to take advantage of new rules

This allows it to use a screen

based in, say, London to trade shares on the Stockholm

away. The Investment Services

In other member states in less

NatWest Securities has also

similar status in Amsterdam

applied for remote membership in

eden and intends to apply for

n two months.

directive will require EU bourses

to offer the same access to firms

exchange hundreds of miles

single trader in that city.

they make on a European bourse as though it had been done in London. The result is a grossly inflated picture of the significance of international share trading on the London

It will become even easier to buy shares on other European bourses from January 1 1996, when the European Union's Investment Services directive comes into effect. This will allow securities firms in member states to apply for "remote membership" of other EU stock exchanges without having to set up an office in the relevant country. They will thus be able to deal

than use Seaq I.

he French and German bourses have recently announced plans to build a joint trading sys-tem. "The directive will create competition between exchanges and between traditional exchanges and new electronic tradcompetitive when you join forces

directly on local bourses rather

Stockbrokers gain remote control

the new EU rule will allow. Remote membership has its

the firm's volume on the

benefits, UBS officials say, with

Stockholm exchange trebling in roughly six months. UBS can

exchange and need no longer pay

doing business on its behalf. That

team. "That is where the new EU

the head of marketmaking at one

LIK investment hank "It will force

The new directive is unlikely to

rules will have an effect," says

commission to local brokers for

means it can offer prices that

compete with local brokers

overheads of a local trading

a shake-out of smaller local

without having to pay the

execute its own trades on the

exchange pooling liquidity on a scale to match US markets. The concept of a unified Europeau exchange was discussed between the UK and continental bourses in 1990 and 1991. But London's proposal for a unified system under Seaq I did not appeal to its competi-

Mr Mueller argues that the stock exchange's failure to concentrate European trading in London has undermined the opportunity to encourage global companies to seek listings there. Once large European companies understand the reality of the Seaq I data - and the relative paucity of international trading in London - they will be much less interested in seeking London stock exchange listings, he says.

Mr Michael Lawrence, the London Stock Exchange's chief executive. says that far from posing a threat to the London market, the EU directive will enhance London's stature as a financial centre. Foreign firms will naturally select it as the base ing systems," predicts one Paris for their European activities and bourse official. "It's easier to be operate their remote exchange memberships from there. He also says the declin

There have been sporadic efforts is irrelevant to London's internamember firms to report every trade in the past to create a Europe-wide tional strategy. The stock exchange

close foreign branches. Local

corporate finance and advisory

business and to prepare research

international firms to deal directly

on European exchanges at low

market share of local brokers.

But the bourses welcome the

participants and more capital

the system's new architecture

with precisely that in mind. "If

system, then we will give them

people want to work on our

entering their home markets.

new rules since they mean more

Officials at the Paris bourse, for

instance, say they have designed

offices are needed to win

for investors on domestic

Making it possible for

cost is likely to reduce the

companies.

emerging markets which want to tap the large capital pools in developed countries. London accounts for a quarter of the capital raised worldwide in the last year through Global Depository Receipts, certificates representing overseas equity listed on another stock exchange.

"That is new business and that would not have come to us otherwise," says Mr Lawrence.

Mr Lawrence says that rather than the continental bourses, London's true competitor is the New York Stock Exchange. He argues that the London market can attract the world's largest companies. which are multinational in operations, workforce and investor base. Moreover, the world's largest institutional investors - particularly those in the US - are placing their capital outside their home bor-

These people want a truly global market," Mr Lawrence says. "There is a clear need for a UK exchange There is a clear need for a global exchange. But do we really need a European exchange? There is a danger that it may be neither

London, he argues, should try to serve that global market in the European time zone, rather than consolidate its position as a big European exchange.

However, European bankers such as Mr Mueller believe that Europe's equity markets offer some of the best growth opportunities as EU countries move towards funded pension schemes. Those that are already funded are moving from bonds to equities as they wake up to the higher real returns.

"The growth of the equity market in Europe is not coming from the UK," Mr Mueller argues. "Pension funds on the Continent are just

When those pools of savings begin to grow, Mr Mueller believes, the funds will no longer have to come to London to trade in non-domestic shares. Unless the London Stock Exchange can demonstrate that it is cheaper and more efficient, the savings will be dispersed around the world's markets.

and Germany as soon as encourage securities firms to the plug and let them play."

BSERVER

Any colour vou like

■ Berlin's officials are forever singing the city's praises. But Werner Horst knows better. . Horst, a taxi driver, thought he would liven up his business by bringing over some of London's black cabs. After all, they're in common use elsewhere in Germany. And it would break the monotony of those ubiquitous pale cream, mostly Mercedes, Being familiar with the joys of

Berliner bureaucracy, Horst went , through the proper channels, in the city's transport department. In due course his application was heard. And refused.

London's black cahs are so

constructed that the passenger doors cannot be opened while the vehicle is moving. It's seen in London as a safety device. In Berlin, it's regarded as very dangerous; what would happen if the driver had a heart attack, or fainted? Another reason was that it was. . the wrong colour. What you might call a Nero situation. The city's politicians can't even decide how and when to form the next government - but

Name of the game Perhaps a marketing survey

they sure can fiddle.

Whatever the real reason, Hilton International has thought better of its plans to move atop the site of the so-called Hanoi Hilton, the prisoner-of-war-camp where scores of US pilots were incarcerated during the Vietnam War.

The place is being redeveloped by Singaporean firm, which will now have to interest someone else in checking out the accommodation while Hilton invests \$50m on a 5-star hotel in another part of the Vietnamese capital. We decided its historical

associations might not be appropriate to the overall marketing effort," was how a Hilton official phrased it.

Son of Sir Joh

A touch of déjà vu as the name L Bjelke-Petersen sets political tongues wagging once again in Australian political circles. But no, the eccentric right-wing premier of Queensland who ruled the state for 19 years before resigning, at 76, in 1987, has not made a come-back. Instead it is Sir Joh's 39-year-old son John who has set his cap at a federal seat in south-east Queensland, unsurprisingly on the conservative National Party ticket. His dad, of course, never made it to Canberra - and many would claim it was the III fated "Joh for Canberra" campaign, designed to elevate the former premier to the prime ministership.

end of Sir Joh's reign. John's mother, Lady Florence, by contrast, fared better, serving as a Queensland senator in the upper house between 1981 and 1993.

Hurdles atlenty remain for the younger Bjelke-Petersen on the road to Parliament House - not least in the shape of the two other candidates thought to be standing for National Party pre-selection in a seat which is anyway currently the preserve of the Liberal Party, the Nationals' coalition partner. A Queensland farmer, John has

said that his father would be the model for his political career - a sentiment bound to unnerve those who harbour less than fond memories of the Joh years.

In the family

■ Prince Jefri Bolkiah's purchase of his latest trinket - London jewellers Aspreys -- merely represents a bit of clever housekeeping on the part of the Bolkiahs. The Asprey men have iong been in Brunei on a more or less year-round basis, waiting in their hotel for a call from this or that royal wife with the urge to buy some expensive little gewgaw to brighten up the tropical day. The playboy prince has had a

busy year. He's already forked out \$60m for the Hotel Bel-Air, the splendid Los Angeles pad which nicely complements the existing

Bolkiah collection - the Dorchester

in London, the Beverly Hills Hotel, the Palace in New York, and a couple of five star establishments in Singapore.

Back home meanwhile, in between his duties as the country's finance minister. Prince Jefri has his private company Amedeo Corporation's other interests to worry about. Amedeo oversees most of Brunei's construction contracts, many of which in turn seem to involve the building of roval palaces.

Doing nicely

■ Steven Bell, Deutsche Morgan Grenfell's chief economist, was returning recently from a Frankfurt conference on European Monetary Union, in which he had delivered a speech entitled Emu chances and risks. Judging from his past form, Bell, who describes himself as a "Euro-pragmatic". would not have skimped on the

"risks" portion of the speech. Anyway, he and his colleague Stuart Parkinson decided to break the journey in Maastricht. Spying some suitable little trinkets for the family, they found the small shop in question would not accept plastic. Lacking Dutch guilders, Bell, who has long railed against high deficit currencies, rooted around to produce some Belgian francs. Would that be acceptable? You bet, and the exchange rate was jolly favourable too. And so did the ERM bail Bell out in Maastricht.

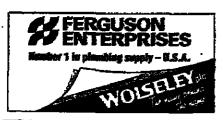
*Financial Times

100 years ago Mexican railways

In accordance with precedent. the Directors of the Merican Railway Company are careful in their half-yearly report to abstain from any specific prediction as to the future course of business. The good points and the bad

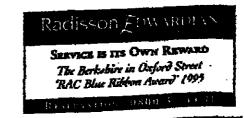
points in the outlook are mentioned in their due order: the accounts are presented and analysed with businesslike precision. In the report before us. optimism soars no higher than the remark that "a striking and satisfactory feature in the returns of the half-year is the development of the passenger traffic," while the nearest approach to pessimism is the statement that the rate-cutting which has originated from the breaking up of the pooling agreement "was not felt in the half-year under review, but is affecting the returns in the current half-year."

This time, as hitherto, the characteristic of the report is neither optimism nor pessimism but candour. Altogether, the gross revenue figures confirm what we have repeatedly expressed, that Mexico is entering on an era of greater prosperity than she has enjoyed in recent years.



FINANCIAL TIMES

Monday November 6 1995



McDonnell Douglas wins Kashmir \$18bn Pentagon contract

An \$18bn Pentagon order for 80 military transport aircraft has given McDonnell Douglas its second important boost in two weeks. It has also raised President Bill Clinton's standing in the state he must win if he is to

be re-elected next year.
The contract follows delivery of almost half of an initial 1993 order for 40 of the four-engined C-17s. It will preserve 8.700 jobs at the group's Long Beach factory, 9,000 at other southern Californish component suppliers and a similar number elsewhere in

Officials at the battered flagcarrier of the Californian aero-space industry, which was recently awarded a vital \$1bn aunch order for 50 of its new MD-95 twin-engined airliners from Valujet of Atlanta, said the deal would improve its chances bodied aircraft to foreign air

The C-17 is designed for maximum flexibility in military applications. It can parachute troops

field, and operate from short, rough runways. Potential buyers include Germany, Britain, France, Japan and Saudi Arabia.

Pentagon officials said the aircraft, which was used to ship aid after a hurricane swept the Virgin Islands this year, could be used as "system of choice" to support any US participation in keeping the peace in Bosnia. The C-17 first flew in 1991. It

failed a key examination a year later when a wing crumpled

under test conditions.

Orders clear the sir .

However, it was chosen by the military despite a congressional budget office report last week which said that, although it had now passed most of the required trials, the craft's longer-term durability had not been tested.

The office also pointed out a much cheaper option. It said purchase and operating costs over 25 years of a hybrid fleet comprising C-17s and a military version of Boeing's 747-400 cargo aircraft would be \$50n less than its esti-

McDonnell Douglas fleet. One compensation for Washington, Beeing's home state, is a plan to base about 50 of the new fleet, crew and ancillary operations, at an airbase near Tacoma, Lockheed Martin, in Georgia, maker of the giant C-5 transporter, has been told it may

of the airforce's existing C-5s. However, California, which has lost an estimated 300,000 aerospace jobs since the end of the arms race, and reported a further 12 per cent decline in defence and aerospace employment in the year to the end of last June, seems likely to benefit most. The state has lost 22 military

receive contracts to modify some

establishments since 1988. Mr Clinton attempted to soften the blows this summer with a plan to save many of the 14,000 jobs under the aze at the McClellan air force establishment.

The president, who has visited California 20 times in the past three years, also recently intervened with a \$300m-plus federal funding package to help the Los Angeles County health authori-ties out of a budgetary hole.

Andreotti sent for trial over 1979 murder of journalist

By Robert Graftant in Rome

Mr Giulio Andreotti, seven times prime minister of Italy, was yes terday sent for trial charged with involvement in the 1979 murder of a Rome lournalist. It was the first time in recent European history that a former prime minister had been directly linked to a

The decision by investigating magistrates in Perugia followed two years of investigations into the murder of Mr Mino Pecorelli, editor of OP, a scandal sheet. Two men have been accused of carrying out the murder.

Mr Andreotti is already standing trial in Palermo, Sicily. accused of being the political fixer in Rome for Cosa Nostra, the Sicilian mafia. "I consider all this pretty hallucinating, whether it's the mafia (charge) or the Pecorelli case," he said yesterday. But as a citizen I place myself in the hands of the courts. hoping that in the end the truth will emerge, and possibly in a The Perugia magistrates began considering his alleged involvement in the Pecorelli case on October 26 and reached their decision late on Saturday.

Three men are due to stand trial alongside the former pre-mier. They are Mr Claudio Vitalone, a magistrate and long-time Christian Democrat senator closely linked to Mr Andreotti, pius two mafia bosses, Pippo Calo and Gaetano Badalamenti.

The Perugia magistrates allege that Mr Pecorelli was using OP to publish scurrilous and highly sensitive information about italy's political elite, leaked by accomplices in the security services. At the time of his death he appeared to be trying to black-mail Mr Andreotti with information about recycled funds.

Mr Pecorelli also reportedly knew unpublished details about the 1978 murder of Mr Aldo Moro, the prime minister kidnapped by the Red Brigades. According to Mr Tommaso Buscetta, the most important former mafia boss now co-operating with the authorities under a witness protection proe. Mr Pecorelli was murdered on the orders of Cosa Nostra as a favour to Mr Andreotti.

The murder was allegedly organised by a Rome gang linked to the Moro kidnap, but was reportedly ordered by the Salvo cousins - two leading members of Cosa Nostra closely identified with the Christian Democrat Party in Sicily. Mr Andreotti has admitted he had dealings with Mr Pecorelli but has consistently denied any knowledge of his murder. He also

denied knowing the cousins.
In Mr Andreotti's Palermo trial the prosecution alleges that he knew the cousins, who were a vital prop for his faction of the Christian Democrat Party in Sicily. The Pecorelli killing is also being used as part of the Palermo evidence that Mr Andreotti was allegedly linked to the mafia. When the Palermo trial opened in September, his lawyers sought to have the procee moved to Perugia and have the two cases merged. The two trials will now coincide and evidence will overlap creating a complex legal situation which Mr Andreotti's lawyers will seek to

Echoes persist, Page 8

Peres pledges to pursue peace path

Continued from Page 1

Helmut Kohl and president Roman Herzog, British prime minister John Major, French president Jacques Chirac and Spanish prime minister Felipe González. King Hussein and Egyptian president Hosni Mubarak will both make their

ceremony. Mr Yassir Arafat, the Palestinian leader, who appeared shaken when he received news of Mr Rabin's death will be noticeable by his absence. Israeli officials politely informed their most important peace partner that his

still see him as a "terrorist" Israel's business community also reacted with shock. Shares on the Tel Aviv stock exchange closed sharply lower, but did not drop as much as had been feared. The benchmark Mishtanim index of the top 100 companies fell 3.3 per cent from 190.19 to 183.87

elections planned to end rule from centre

The Indian government has autounced that state assembly elections will be held in Jammu and Kashmir by mid-December. after a gap of eight years. The elections, if they are held,

will bring to an end nearly six years of central government rule, imposed after separatists launched an armed campaign against security forces in 1989. The elections are crucial for Mr P.V. Narashuha Rao, the

Indian prime minister, whose ruling Congress party faces a tough general election next year. The prime minister insists that a democratically-elected government in the state will be in a better position to control the Kashmiri militaney, which India says is fuelled by Pakistan. Jammu and Kashmir state,

comprised of the Kashmir valley, Jammu and Ladakh, has been the cause of two wars between India and Pakistan since the sub-continent was divided in 1947. But leaders of the All-Party

Hurriyat Conference, an umbrella organisation of political and militant groups in Kashmir, rejected the prime minister's initiative as "frandulent". "Kaskustr is a disputed terri-tory, and is the UN's longest standing dispute, so we cannot accept elections under the Indian constitution," said Mr Abdul

Ghani Lone, a senior Hurriyat

"We have not lost 20,000 of our people in the last six years to allow a government to be imposed on us which does not respect the will of the people."
In 1949, India and Pakistan agreed with the UN that Kashmir's status would be deter-mined by a plebiscite. But New Delhi now maintains that Kashmir is an integral part of India, and has refused Pakistan's rep-

eated demands for an election.

The Hurriyat leaders, some of whom support independence for Kashmir, and others who support accession to Pakistan, have come together on a common platform to fight for what they call the right to self-determination. Mr Rac's Kashmir initiative

includes a package to further strengthen the special autonomy the state already enjoys and to He appealed to the people of the region to take part in the elections in an emotional address ou Indian radio and tele vision via satellite from Ouagadougou, the capital of Burkina Faso, where he was on a tour.

Mr Rao, who claims credit for solving the Panjab insurgency which raged for 10 years, is keen to hold elections in Kashmir before running for another term. "He would like to be able to say he solved the two biggest problens he inherited." an aide said.

India enters doldrums, Page 22

presence in the disputed holy city would be unwelcome in a coun-

Europe today

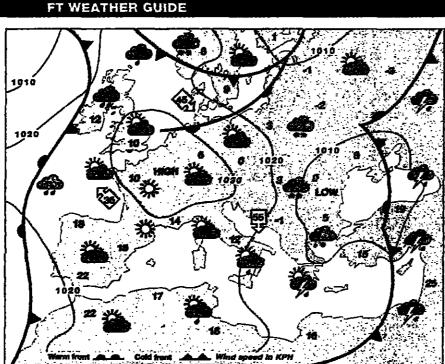
A strong high pressure system over France will provide cold and mostly clear conditions to the Low Countries and France. Over southern Scandinavia and northern Germany. milder air will bring some rain before much stem and south-eastern Europe, very cold air from the north will move in with snowfall expected in many areas. The northern and stem British lales will have outbro rain, while the rest of the country will be settled with partly to mostly sunny skies. At the same time, very warm air over eastern Turkey will try to push into southern parts of Pussis. This will lead to the development of heavy rain and thunder storms over Turkey and the Black Sea. The eastern parts of the Auriterranean will also have heavy showers.

Five-day forecast

A surge of very cold air will move from Finland to eastern Europe as warm air from eastern Turkey tries to move north-wes This will lead to an outbreak of rain and snow showers over many parts of eastern Europe. Meanwhile Turkey, the Black Sea area and southern parts of Russia will experience heavy rain and thunder storms.

sun cloudy shower shower rain shower sun fair shower shower 32 31 19 8 13 17 27 9 30

> Your frequent flyer program: Lufthansa Miles & More. Lufthansa



216 8 18 10 10 1 27 27 14 38 11 32 22 22 22 22 20 10 5 6 22 Medida Me Faro Frankfurt Geneva Gibratov Hamburg Helsinki Hongi Ken Hondulu Istanbul Jarant Jarant Las Palma Lima Lindon London Luncbourg tekr shower cloudy thund rain sun fair shower shower shower shower shower shower tain tain 102613191823 2 5 23 21 72 21 11 9 10 3 4 15 15 1 3

THE LEX COLUMN

Tackling takeovers

There is no shortage of examples to demonstrate the inadequacy of takeover regulations in most European stock markets. Italy's comparatively new takeover law has proven suffi-ciently impeneirable that even Mediobanca could not work out if it had to make any offer for Ferruzzi Finanziaria. In Sweden, minority shareho ers have had a rough ride over Hasselfors, and in France they fared little

better in the CMB takeover This year, Germany, the Nether-lands and Switzerland have all revised their takeover regulations, but this appears to be little more than a sop to international investor concerns. In continental Europe, politics and busi-ness are often inextricably combined. Opaque takeover regulations can prove a useful means by which politi-cians can dictate industrial development. Takeovers are not vote winners since they can result in foreign control and redundancies. Moreover, the argument that a takeover culture wee out inefficient management is count-ered, with some justification, by the argument that it also fosters

There seems to be little pressure for change. KLM, the Dutch airline, recently pointed out the iniquities of poison pill defences at Northwest Airlines; but it has not extended criticism to the Netherlands, where such protec-tion is standard practice. However, there is a strong argument for a gradnal push towards standardised trigger levels for takeovers, greater transpar-ency, and equal treatment of minority shareholders when there is a change of control Vast privatisation issues are currently being offered to international investors. The response will be unenthusiastic if they are concerned over the regulatory environment, which would mean that governments could end up selling off their family silver on the cheap.

Pharmaceuticals

After \$70bn of deals, it is hard to believe there are any drug companies left to take over. Most middle ranking groups, from Wellcome and Fisons to American Cyanamid and Syntex have been swallowed up.

But the case for further consolidation remains compelling. Pharmaceuticals is still a fragmented industry, where even the biggest participant -Giaxo Wellcome - has a mere 6 per cent market share. And the arithmetic shows that deals can unlock a great



Upjohn of the US have seen their share prices rise by more than 40 per cent since their merger was first rumoured in August. The combined value of the company has increased

from \$186n to over \$186n. While that looks unsustainable at first sight, it can be justified by the \$500m of expected annual cost savings. very crudely, on a 30 per cent tax rate and a multiple of 15 times earnings, those savings are worth \$5 in. The improved product pipeline and wider distribution of the enlarged group should also accelerate profits growth. After a surfeit of deals over the past two years, takeover activity may now abate or move to the smaller compa-

nies for a time. But the search for ever greater economies of scale and more new products will propel the industry giants back into the game before long.

UK share buy-backs

Britain's regional electricity companies will soon be handing yet more cash back to shareholders, and as UK corporate cashflows rise, they are unlikely to be alone. This is an appetising prospect for investors, not least because of the tax benefits. But they should keep an eye on this month's

For the company, the tax system is neutral between paying out cash through special dividends or buying back shares. But that does not mean the tax system does not interfere in the choice. Tax exempt institutions receive large tax credits when they take up a share buy-back, because often a large part of the cash they receive is treated as income. Unlike a special dividend, higher-rate tax payers can choose not to participate in a buy-back and so avoid additional tax. Government does not like buy-backs

for the same reason institutional shareholders do: they bring in less tax than special dividends. Companies planning buy-backs will be concerned that the chancellor may plan to do something about it in his Budget, Lev-elling the playing-field - for instance by making buy-backs apply to all shareholders in a similar way to a rights issue – would help him raise much-needed cash.

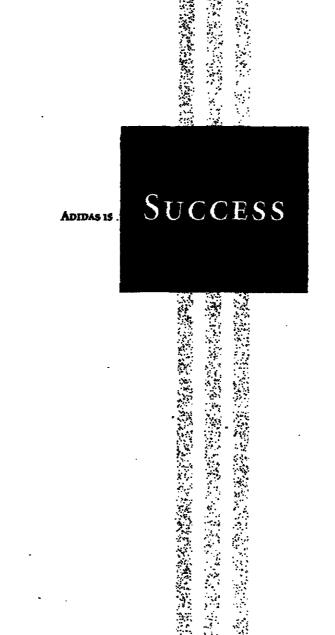
This would be a pity, since it would reduce companies' flexibility. Tax-exempt institutions would doubtless moan about having to share the benefits of share buy-backs with other shareholders. But they would continue to receive tax credits. So long as this continues, they will still be keen that surplus cash should be paid out, not

London Property

A year ago vultures were circling over Stanhope, the property developer which owned a half share in the suc-cessful Broadgate and Ludgate office developments in the City of London. At the time, Stanhope was close to being forced into receivership by its banks. Top City rents were forecast rise by as much as two-thirds by the end of 1996. It was no surprise that British Land, the most effective opportunist in the UK property market, emerged as the eventual buyer.

British Land is now preparing to buy the second half of Broadgate, this time from the receiver to Rosehaugh, Stanhope's former development partner. The worry is that rental forecasts which looked demanding a year ago. now look ambitious indeed. City rents have only edged higher over the intervening twelve months, partly due to disappointing demand for offices from the financial sector. Now under new ownership, Canary Wharf in London's docklands threatens to expand the supply of modern offices available to potential tenants at far lower rents than the City can offer.

Against this background, the chances are that prime City rents will settle not far above \$40 per sq ft, rather than breaching \$50 per sq ft as the bolls of the market believed. If property yields dip lower, perhaps in response to base rates or bond yields. City property owners such as British Land could still see a handsome return on their investments. With the prospect of only moderate rental growth for support, though, City property values would equally be exposed to an upward shift in yields.



÷:

NET INCOME
IN MILLION DA

1994

1993

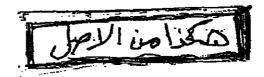
A MISSION TO BE THE BEST SPORTS SUCCESS. IT HAS CREDIBILITY IN SPORT LEAVES IT IDEALLY POSITIONED TO CREATE DELIVERING PERFORMANCE AND RECOGNISABLE VALUE FOR ALL ATHLETES. THE

Adding value to your portfolio

i≩ weck;

AUTHENTIC SPORTS BRAND LEADER AVAILABLE IN SMALL, MEDIUM AND LARGE BE A PART OF IT.

adidas



Monday November 6 1995

PRINTERS FAX MACHINES

MARKETS



All real like the little

JOHN PLENDER: GLOBAL INVESTOR

The emergence of negative nominal rates of interest is a rare and somewhat freakish event. In its latest manifestation in Japan the phenomenon is doubly freakish because the country has seen it happen twice in the space of less than 10 years. Page 21



STEPHANIE FLANDERS: ECONOMICS NOTEBOOK Do countries sustain economic

growth by limiting the size of government, or do they limit the size of government by sustaining economic growth? Three years as governor of Hong Kong have left Mr Chris Patten believing the first proposition. Page 21

BONDS:

All financial centres swing from relaxation to restriction and back as if there were a "regulatory pendulum". When the shock is as great as the collapse of Barings, and the financial market as young as Singapore, the oscillation is all the more violent. Page 24

377

277

100

Institutional investors are showing strong interest in the privatisation of Eni, the Italian oil and gas company, but developments in the oil industry could prevent that interest from turning into equally healthy orders. Page 23

EMERGING MARKETS: For each of India's last six general elections the market has been subdued for the six months before the poll, then relatively buoyant for the six months afterwards. Page 22

CURRENCIES:

The talks between US President Bill Clinton and the Republican leadership in Congress over the extension of the federal debt ceiling are likely to be the focus of attention this week. Page 22

COMMODITIES:

With world stocks of grain at a 20-year low and prices close to historic highs, the Agra-Europe conference in Brussels this week is likely to attract considerable interest. Page 21

INTERNATIONAL COMPANIES: Texas Utilities of the US is to buy Eastern Energy, one of the five electricity distributors being sold by Victoria's state government, for A\$2.1bn (\$1.56bn). Page 20

UK COMPANIES:

Sun Alliance, the composite insurer, will this week announce an expansion of its continental European telephone-based operations with the acquisition of the Tellit direct motor insurer owned by Suez, the French financial and industrial holding group.

STATISTICS

Base landing rates Company meetings ... Dividend payments ... FT/S&P-A World indices _ 21 FT Guide to currencies 22 Foreign exchanges ... _27 London share service . 30-31 Managed fund service 28-29 Money markets .. New int bond lasues New York shares -

Daiwa considers Sumitomo merger

Daiwa Bank, expelled last week from the institutions, is understood to be the likeli-est candidate for such a tie-up.

The merger, which could occur within the next year, would be a response by Daiwa to the near-fatal damage inflicted on its global status by draconian official punishments in the US and Japan. Last Thursday, Daiwa was ordered to close its US operations for "unsafe and

unsound" banking practices in the wake of a \$1.1bn loss by a bond dealer at its New York branch. It was also indicted on 24

its global operations.

based in Osaka, in western Japan, and have a good business relationship. Daiwa to scale down much of the rest of A merger between the two would create

Japanese newspapers at the weekend quoted officials at both Daiwa and Sumibank to rival Tokyo Mitsubishi Bank, which will be formed next year by the tomo suggesting that a merger was under consideration. "It will not happen right away, but if both banks feel that way with merger of two of the country's other leading financial institutions, Bank of Tokyo and Mitsubishi Bank. A Sumitomo/Daiwa the passage of time, it is not impossible in the future," said Mr Takashi Kaiho, presi-dent of Daiwa. alliance would have assets of more than Y70,000hn. making it about the same size as Tokyo Mitsubishi.

For Daiwa, a merger seems the inevitable response to its current predicament. In addition to its closure in the US it said last week it would scale down its European operations and some of its Asian branches. The bank plans a global restructuring that would reduce its workforce by more than

viability as an independent entity.

Like all leading Japanese banks, Sumitomo has been forced to reconsider its strategy since the Tokyo Mitsubishi Bank plans were revealed last March. Last year, signalled an intention to write off its problem loans quickly by reporting the first ever pre-tax loss by a Japanese bank. Its improving profitability this year suggests it could write off the remainder of its bad debts within a year or two.

But at least one other bank might also be considering an approach to the stricken Daiwa. Fuji Bank, another commercial bank, is understood to have expressed interest in a Daiwa merger before the fiasco in New York.

Spanish to sell 25% stake in Argentaria

By Tom Burns in Madrid

The Spanish government took a further step in its privatisation policy yesterday with a decision to halve its 50 per cent stake in Argentaria, the third-biggest domestic bank in terms of assets. The disposal, which is likely to take place in the first quarter of next year, would raise Ptal35.7bn (\$1.1bu) at current market prices.

The sale is expected to be similar to the Argentaria I and II global offerings in May and November 1993, which each placed 25 per cent of the state's equity on the international markets. Both offerings were co-ordinated by Morgan Stanley, the US bank, and evenly matched institutional and domestic retail tranches.

The development could renew speculation that Argentaria. which is at present 22 per cent owned by foreign institutions and is the leader in the domestic institutional lending and mort-gage markets, will be the object of a bid by another Spanish bank. Last week, Banco Bilbao Vizcaya (BBV) denied it was considering the purchase of Argen-taria equity and the finance minister, Mr Pedro Solbes, said he would block Argentaria's take-

The Argentaria III decision had been widely expected as the government is intent on using revenue from disposals to cut its public deficit.

However, this third disposal is unlikely to repeat 1993, when the two global offerings were strongly oversubscribed both on the domestic and international

markets. Argentaria shares have slid since the Argentaria II offer price of Pta6,005 and over the past year they have underper-

The share price, which had a year low in March of Pta3 645 and a high of Pta4.995, closed on Friday at Pta4,260, 1.73 per cent down on its opening of Pta4,335. The banking group was strongly penalised last year by trading losses and squeezed margins, which brought its pre-tax profits down 9.8 per cent to Pta94.2bu. It has nevertheless been climbing out of losses this year and posted nine-month pretax profits of Pta82.4bn, 2.7 per cent down on the same period last year.

Eni issue, Page 23

disposal of its US assets. Both banks are has cost it customers around the world, based in Osaka, in western Japan, and there are doubts about its long-term US. On Friday the Japanese finance ministry, citing its own investigation, ordered By Gerard Baker in Tokyo

US by financial regulators, is considering a merger which could create one of the largest banks in the world. Sumitomo Bank, one of Japan's largest financial

criminal charges, including fraud, in the

On Friday, Daiwa announced that it had enlisted the assistance of Sumitomo in the 25 per cent. Its international humiliation

Mr Toshio Morikawa, president of Sumi-

tomo, added: "We haven't talked about a merger. But in the process of furthering

our assistance, if an opportunity should

arise, it is likely that we would talk about

Oil groups' ageing European refineries are under increasing pressure, reports Robert Corzine Europe's refineries S per barre محمد لاقتالات (كابتدامي) بدر State 22% . Cracking mergin ^e International Integrated 35% Private, chemical, other 16% Conglomerates inclustrial 6% Regional integrated 21%

of surplus capacity in the pipeline peculation is growing that some big international oil

Problems

Companies may act soon to help correct chronic overcapacity in oil refineries worldwide. Although the problem of surplus capacity extends to the US, the focus of attention is Europe, where a number of older refiner-

ies are seen as being at risk of

closure because of changing envi-

ronmental rules and growing competition. Many executives say poor European refining margins may come under renewed pressure next year, when large amounts of new capacity come on stream in Asia. Low freight rates for refined products mean that capacity changes in one region

can have a significant impact

elsewhere. A recent study of the European sector by Salomon Brothers, the US investment bank, identified with a total capacity of about 800,000 barrels a day - about 5 per cent of the sector - as running a 'high" risk of closure over the

next few years. Evidence that some oil companies are contemplating action emerged last week. On Thursday British Petroleum announced the sale of its Marcus Hook refinery in the US to Tosco, an independent refiner. The sale was the first step "in a programme to reposition BP's international refinery network", according to Mr Rolf Stomberg, head of BP Oil, the group's downstream arm. On the same day, Mr John Jen-

nings, chairman of Shell Transport and Trading, warned that the international "refinery business has still to come fully to terms with all the implications of sustained overcapacities". Analysts say BP and Shell

could be in the forefront of any industry-wide restructuring, with Europe the most likely setting for closures or consolidation. BP's sale of the Marcus Hook

refinery was evidence that the company has made the re-organisation of its downstream sector a BP's decision to review its

refining assets is linked to the deteriorating economics of the industry. The best refineries are generally profitable, but they need regular upgrading at a cost of hundreds of millions of dollars. Given current low refining

margins any investment in refineries with only average performance is increasingly being ques-tioned. "Every time you make a major investment in an average refinery you have to ask yourself should I get out," says one industry executive.

The Salomon Brothers study concluded that internal rates of return for most refinery upgrading projects in Europe are negative when calculated over 10

The rates improve somewhat over a longer period, but Mr Jeremy Hudson, an energy analyst at Salomon's London office, says they are still "diabolically

He says European refiners also face an "open-ended commitment to new spending" because of changing environmental legisla-tion and new product specifica-

Concawe, the European refiners' trade group, has estimated that \$25bn-\$30bn may have to be invested in the industry to meet existing European Union directives and the draft EU directive on sulphur in liquid fuels, which

Q ut past predictions that a combination of stricter D environmental rules and growing competition would result in refinery closures have

proved wrong. One senior European oil industry executive last week said there was an "urgent" need for refinery closures. But he conceded that companies are often reluctant to

Unilateral closures are often seen as benefiting rivals. In addition, a fifth of Europe's relining capacity is owned by govern-ments, most of which are unlikely to order the closure of politically-sensitive plants. There is little prospect that

companies will be able to sell their unwanted refineries in Europe, as BP did last week with Marcus Hook in the US. "The market appears totally dry," said one executive last week. "I would be surprised to see any sales at the moment'

BP is said to favour collaboration with other companies as a possible way forward. If two refineries are struggling then the companies would agree to close one and pool their resources in the other.

e rarely as simple as that. Finding a solution that matches the strategic and commercial needs of two companies can be difficult. Local communities in both the US and Europe have often sucsfully lobbied oil companies to keep refineries open. Strict European labour laws are also a complicating factor, say execu-

In addition exit costs can be high, although environmental clean-up costs in Europe are generally not as onerous as those in

Those parts of Europe with the biggest overcapacity problem, such as the Mediterranean, also present the biggest political prob-lems for oil companies. "Nothing is easy in France," says one European executive. "You can forget about closing anything in Greece and the Italians have spent a fortune on their refiner-But even so most industry

observers expect to see some rationalisation over the coming year. BP is expected to make an announcement early next year about its plans in Europe. The remarks last week by Mr Jennings have prompted speculation that Shell may also be preparing to act. The commany has a num-But proposed refinery closures ber of relatively simple refineries. some in France, that would be costly to upgrade. Observers say another possible candidate for closure is the Shell Haven refi-

nery in the UK. The two companies are unlikely to be alone, however. Elf Aquitaine, the French oil group, is also frequently mentioned as contemplating closures, although any large-scale restructuring in Europe is expected to involve a number of companies.

Industry executives say that in such an open and integrated market, refinery closures in any part of the world would have a positive impact on the profitability of the European industry.

NKF

This announcement appears as a matter of record only.

NLG 20,500,000

For the financing of the exports of telecommunication cables, accessories and services by NKF KABEL B.V., Delft. The Netherlands, to The Posts and Telecommunications Corporation in Harare, Zimbabwe, for the rehabilitation, upgrading and extension of the Mutare External Plant Network, Zimbahwe.

THE POSTS AND TELECOMMUNICATIONS CORPORATION. ZIMBABWE

EXPORT FINANCE FACILITY UNDER NCM COVER AND INTEREST MATCHING SUPPORT FROM THE DUTCH MINISTRY OF ECONOMIC AFFAIRS

> Arranged by ING BANK

ING BANK

August 1995

This week: Company news

GERMAN CHEMICALS Outlook uncertain now that the party is over

The three German chemical companies, Hoechst, BASF and Bayer, will unveil third-quarter results this week that should reveal a slowdown in the industry, but may not. The German stock market last week

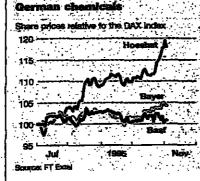
awoke to the fact that the party was over in the sector, with chemical stocks losing ground. But the companies' quarterly results do not always provide an immediate picture of the health of underlying business, with exceptional charges frequently incorporated without explanation. In the case of Hoechst, which has not

indicated how it intends to account for its acquisition of the US pharmaceuticals business Marion Merrell Dow, the outlook is very uncertain. Both Hoechst and BASF will have suffered from falling prices and weakening demand for their core bulk chemicals, plastics and synthetic fibres, although Hoechst is likely to be the less affected of the two. Assuming the company chooses to amortise the MMD acquisition but does not make any restructuring charges this quarter, it could be looking at pre-tax profits of about DM750m (\$539.5m), up 25 per cent

BASF is likely to post pre-tax profits of around DM850m, which represents a jump of 80 per cent on last year, but a contraction when compared with the first and second quarters.

Bayer could still make gains, however, with pre-tax profits in the region of DM900m. Many of the company's industrial chemicals are still benefiting from price rises.

"We will not be told what charges and gains have been included in these figures until some months after the results," says Mr Tou, Cox, European chemicals analyst with Kleinwort Benson in London. "But, providing there are no funnies, we should see the crash in bulk chemical prices



UK WATER UTILITIES Market looks for sustained growth

The interim reporting season for UK water companies is under way, with more good news for shareholders likely to emerge over the next few weeks. Following the lead of Thames Water last week, both Anglian Water and Northumbrian Water are likely to post big dividend increases when they report tomorrow and Thursday respectively. The market expects the sector as a whole to report increases on average of between 10 and 12 per cent.

The interim payouts should reinforce the market's view that the water sector is more than confident it will be able to achieve double digit dividend growth to the end of the decade, in spite of the harsher pricing regime now in place. The difficulty will be how to convey that news in an increasingly critical political environment and under the threat of a windfall tax.

The dilemma is greatest for the likes of Northumbrian, which is facing a possible bid from Lyonnaise des Eaux. Northumbrian is expected to announce interim profits of about £55m (\$86.9m), compared with £46m last time, and a dividend increase of anything from 13 to 20 per cent. Anglian Water is likely to report pre-tax profits of between £120m and 125m, against last year's 121m. The

dividend is forecast to rise by between

10 and 12 per cent. It is not expected to

pass through the entire benefit of this

ammer's 10 per cent share buy-back.

OTHER COMPANIES Astra confident despite US setback Astra, the high-flying Swedish

pharmaceuticals group, which reports nine-month figures tomorrow, should maintain its progress, with analysts experting profits of about SKr9.3bn (\$1.4bn), up 30 per cent from a year ago. The performance of Losec, the group's blockbuster anti-ulcer drug, will be in focus after evidence that the drug's US sales flagged in the third quarter.

■ Stora: The big Swedish forestry company will ride the dramatic upswing in pulp and paper prices when it reports its nine-month figures today. Analysts are looking for profits to triple from SKr2.04bn to about SKr6.2bn (\$940m). Investors, worried by the slowing pace of price rises, await the group's analysis of market trends.

 British Airways: Pre-tax profits are expected to be between £410m and £420m (\$647.8m-\$663.6m) in today's half-year results, compared with £341m last time. Questions will focus on the future of the UK airline's relations with USAir, in which it holds a 24.6 per cent stake. USAir is in talks with United Airlines and American Airlines, which could lead to a takeover. If either takes over USAir, BA might have to find a new transatiantic partner.

Swiss Bank Corp: Mr Georges Blum, chief executive, said in an interview two weeks ago that the group's performance in the third quarter had

continued along the very strong trend established in the first half. Net income in the first half was up 23.3 per cent to SFr540m (\$477.8m). Further details, although not a full profit and loss statement for the nine months, will be

■ KNP BT: The Dutch paper, packaging and graphic systems group is expected inesday to report a near-doubling in third-quarter net profits compared with F1 86m (\$55.4m) in the same quarter of 1994. Earnings have recovered rapidly so far in 1995, aided mainly by better results in coated paper and in the distribution of graphic paper, graphic equipment and office products. At the same time, the sharp decline in waste paper prices since the summer is forecast to lead to improved margins in the packaging sector in the third and fourth quarters.

CS Holding: Mr Rainer Gut, chairman, said in his interim report that he expected "good" results in the full year, and he is expected to confirm that forecast in a nine-month statement on Friday. The group has to leap over a SFr540m extraordinary gain last December on the sale of 20 per cent of its Credit Suisse Financial Products subsidiary to better last year's SFr1.33bn (\$1.17bn) net income. But Credit Suisse, the group's flagship bank which accounted for three quarters of last year's profits, appears to be doing its part. Mr Josef Ackermann, chief executive, said two weeks ago that the bank's trading profits in the first nine months were equal to those in the whole of last year.

20

20

] ·	-	•		-
Companies in th		Ue		
Advest	20	Hydro-Bactric	20	Spyglass
Argentaria	19	Lyonnaise des Eaux	20	Suez ·
BP	19	McDonnell Douglas	6	Sumitomo Bank
Conversion Devices	20	Nat'l Australia Bank	20	Sun Alitance
Dahwa Bank	19	Netscape	20	Sun Microsystems
EQ Corp	20	Northumbrian Water	20	Swiss Reinsurance
- Eastern Energy	20	Oxford GlycoSystems	20	Tella
Eastman Kodak	6	Philip Hams	20	Texes Utilities
Fu)	6	SPH	20	Time Werner
				A Andread

adidos

NAB completes

US bank purchase

National Australia Bank, the

banks, formally completed its

largest and strongest of

US\$1.55bn purchase of

was first announced in

through the regulatory

Michigan National, the US

commercial bank. The deal

February, but the Australian buyer has since been working

process in the US. The bank has already diversified into

the UK and New Zealand

banking markets through

acquisitions, but this is its

first foray into the US. As a

result of the purchase, about

11 per cent of NAB's assets

will be domiciled in the US.

Michigan National's figures

Australia's four national

NEWS DIGEST

National Australia Bank

Sun Micro launches 'Ultra' computer range

By Louise Kehoe in San Francisco

Microsystems will tomorrow launch a new range of computers designed for multimedia applications on the Internet and corporate net-

"UltraComputers" will bring three-dimensional "virtual worlds", music and video to desktop computers at about half the price of today's speci-alised 3D workstations, the company claims.

"UltraComputers will let you cruise the information super-highway in style," said Mr Scott McNealy, Sun chairman and chief executive.

Network computing will be the next big change in computer technology, equivalent to the move from mainframes and minicomputers to personal computing. Sun maintains.

"Eleven per cent of the population of North America is using the Internet. Every business I visit today is thinking about either using the Internet or building 'intranets' [internal networks using Internet technologyl."

of Sun's computer products

Sun currently supplies about 60 per cent of the computer servers linked to the Internet and has a 36 per cent share of the global market for workstations, according to Dataquest, a US market research

However, its leadership has recently been challenged by competitors such as Hewlett-Packard, Digital Equipment, Silicon Graphics and IBM offering higher speed

The new "Ultra" range, based on a faster version of Sun's Sparc microprocessor, will leapfrog HP, IBM and Silicon Graphics and come close to the speed of Digital Equip-ment's fastest Alpha workstations, industry analysts said.

The new chips could also help fend off PC manufacturers such as Compaq Computer, which plans a new generation of PCs, aimed at design, scien-tific and financial analysis, based on Intel's high performance microprocessor, Pen-

Australian buy for Texas Utilities

Texas Utilities of the US is to buy Eastern Energy, one of the five electricity distributors being sold off by Victoria's state government, for A\$2.1bn (US\$1.59bn). A capital payment of A\$2.08bn will be followed by franchise fees of A\$47m over the next three years.

This is the third electricity

distribution company sold by the Victoria government this year, and the highest price ever realised in any of the state'sprivatisations. All electricity distributor sales to date have seen US utilities among the winning bid-

ders, although this is the first Eastern Energy supplies asset sold entirely into foreign power to 470,000 customers. Its hands. United Energy, the first geographical region - 80,000 sq km stretching from Melto be auctioned, was bought by a consortium of Australian institutions and Kansas Citybourne's eastern suburbs to based Utilicorp, for A\$1.55hn. The second was Solaris, where the New South Wales border is much larger than those of a 50:50 partnership between a United Energy or Solaris, both subsidiary of General Public of which are focused on areas Utilities of the US and Austraof Melbourne.

Eastern Energy last week reported profit after tax of A\$48.7m in its first year of In the auction for Eastern Energy, Texas Utilities was thought to be up against two operation, and total revenue of other US power companies -Pacific Gas and Electric and A\$588.6m. Pacificorp. A fourth potential

The sale of the distribution companies is part of an ambitious plan by the Victoria state the Australian Wesfarmers government to privatise the try. It plans to use the proceeds to pay down the A\$30bn debts which built up under the previous Labor administra-

With this in mind, the former state-owned State Electricity Commission of Victoria was "corporatised" a couple of years ago. Distribution was split between five separate entities, each with a different regional franchise.

Proceeds from the distributor sales to date have been well in excess of initial expectations, helping to defuse some of the local criticism over the

Swiss Re sees improvement for year

By lan Rodger in Zurich

Swiss Reinsurance, one of the world's largest reinsurers, expects a significantly higher net profit in 1995 than the SF1709m (\$623m) earned in 1994 excluding extraordinary gains. Mr Lukas Mühlemann, chief executive, said return on equity would "certainly" be in double figures, compared with the 8.7 per cent return achieved last year, although it would not reach the group's 15 per cent target. Mr Mühlemann, speaking to journalists on the publication of Swiss Re's final accounts for 1994, said the group was also planning to seek a New York Stock Exchange listing for its shares by 1999.

buyer, a consortium led by

lia's AGL paid A\$950m.

He also pleaded with shareholders to attend or be represented at the annual meeting on November 24. The group aims to unify its share structure and remove all ownership and voting restrictions as part of a policy of greater transparency introduced last

But the company's bylaws

88.1m shares, for example, only

5.8m trade on the open market.

stipulate that two-thirds of the enfranchised capital must be represented in such votes. "Only once since the second world war have we had more than 50 per cent represented,

Swiss Re's final 1994 accounts showed only slight deviations from the preliminary figures published in June when net income before extraordinary items was estimated at SFr704m compared with a restated SFr549m in 1993. Gross premium income totalled SFr12.95bn, slightly

Interactive Week magazine.

The index has risen 14 per cent

since options began trading on

Mr Tom Peters, who makes a

market in options on the index

for the Susquehanna Invest-

less than the SFr13.2hn estimated in June and the SFr13.46bn earned in 1993. Mr Mühlemann said profit improvement in the current year would come from a lower combined ratio (claims and expenses) and a higher return on investments.

He made clear that Swiss Re's 15 per cent stake in a consortium formed by Deut-sche Bank in September to offer DM3.08bn for Deutsche Postbank was not a strategic move, but an investment concretenity.

shareholders at its annual meeting that operating profits after tax in the three months to end-September totalled A\$7.65m (US\$5.lm), a 47 per cent increase over the same period in the previous year. It said that gold production in the first quarter nas reached 68,106 ounces, and the realised price had been A\$660 per ounce.

For the year overall, it expects a 55 per cent increase in gold

will be consolidated into NAB's results from November 2, and

the buyer said yesterday that the deal should be earnings

Sons of Gwalia posts 47% rise

Sons of Gwalia, the Western Australian goldminer, told

production to 280,000 ounces. It forecast net earnings after tax of A\$30m, up from A\$27.1m in 1994-95

SPH ahead at S\$425.9m

Singapore Press Holdings (SPH), the island republic's largest publishing group, has announced pre-tax profits for the year ending August 31 of \$\$425.9m (US\$301.8m), a 5.7 per cent rise on the previous year's figure. Group turnover was up 8.6 per cent at \$\$833m, with advertising revenue up 10.4 per cent and circulation revenue up 9.2 per cent. Group investment income of \$\$53m was 4.6 per cent lower than the previous year, due to what the board described as less favourable stock market conditions. The final dividend was unchanged at 20 cents. Separately SPH announced it has bought the Tamil Murasu, Singapore's Tamil language newspaper, for S\$500,000. Kieran Cooke, Kuala Lumpu

Murdoch eyed Time Warner

Mr Rupert Murdoch, the media magnate, considered spearheading a more than \$40hn bid to buy the Time Warner communications empire but abandoned the idea in late October, the New Yorker Magazine reported on Sunday. If Murdoch made such a bid, it could have led to the world's largest takeover, surpassing the more than \$25bn paid by Kohlberg Kravis Roberts in 1988 to buy RJR Nabisco. In a profile on Murdoch, the magazine's media correspondent Mr Ken Auletta said: "The impediment, two participants say, was not finding partners but figuring out how to avoid the steep capital gains taxes on the sale of Time Warner's various pieces.

Trying to share in the Internet's success

Investors are scrambling to buy stock with ties to the new craze, reports Lisa Bransten

Those who thought the rush to grab a piece of the Internet ended in early August after Netscape Communications closed its first day of trading at nearly double its \$28 offer price were proved wrong last week as shares in the maker of Internet software rose to \$951/4.

One reason may be that Netscape joined a spate of Internet-related companies which surprised analysts by reporting stronger-than-expected earnings. But Mr Lou Kerner, an analyst at Merrill Lynch says the Internet craze is not about earnings or fundamentals. "We're seeing indiscriminate investing here," he

Netscape's "surprising"

profit was 4 cents a share, compared with the loss of 5 cents a share analysts expected, and it was the 18-month-old company's first ever profit - making for a p/e ratio of 595, assuming annualised profits

Shares in Spyglass, Netscape's closest competitor, rose 73 per cent last week to \$72 after it registered net income of 20 cents a share, and UUNET, which provides Internet access, has risen 49 per cent since it recorded earnings of 2 cents a share.

Instead, the enthusiasm is due to a scarcity of shares in companies that investors hope will turn out to be the next AT&T. But nobody knows which of the 40 or so compa-

Internet will be the one that small group of Internet-related figures out the best way to companies. Of Netscape's figures out the best way to

Ms Lise Buyer, a technology analyst at T. Rowe Price, the mutual fund group, said inves-

communication. That, together

with an Internet trade show in

Boston, sent investors chasing

a limited number of shares in a

"None of us know how much these businesses could be 'Investors have been caught off guard by the

speed with which the Internet has become an

important part of business communication' tors have been caught off guard by the speed with which the Internet has become an important part of business

worth and the people who hold them aren't selling," says Ms

Also pushing up share prices was activity at a 21/2-week-old index of 37 Internet-related companies launched by the American Stock Exchange and

ment Group, said even he got caught not holding enough of the shares to meet the demands of investors. "We contributed to the up move

October 18.

because we had gotten short and we had to go out and buy stock," he said. "The bad thing is that it makes it hard for us to get stocks, but the good thing is that it makes it impossible for everyone else."

But there are signs that the skyrocketing prices are not sustainable. Investors have taken out an average of 300



contracts a day on the Internet index since trading began, and most of those were bets that it would rise, Mr Peters says. On Friday, however, the volume jumped to about 750 contracts - and they were about evenly divided between upward and

COMPANY NEWS: UK

Sun Alliance to Hydro acquire French motor insurer

By Ralph Atkins, Insurance Correspondent

Sun Alliance, the composite insurer, will this week announce an expansion of its continental European telephone-based operations with the acquisition of a French direct motor insurer owned by Suez, the financial and indus-

trial holding group.

Suez has long been seeking a buyer for its Tellit operation, which was left behind when Commercial Union, another UK-based composite insurer, acquired Groupe Victoire from Suez last year. CU already had a direct selling capability in France. The sale price is not being disclosed but is regarded as immaterial for both Suez and Sun Alliance.

The dominance of agents tied to large insurance companies market for new telephonebased insurers. Tellit, set up two years ago, is lossmaking and has only about 28,000

believes its purchase will save three years' development work. Mr Roger Taylor, Sun Alli-

Tellit, which is based in Rouen, sells mostly motor insurance across France. It has already has plans to develop into health and household insurance. Sun Alliance sells a range of personal insurance by telephone in the UK and a

GlycoSystems

By Motoko Rich

Mr Kirk Raab, who was forced to resign in July as president and chief executive of Genentech, the US biotechnology company, has been appointed non-executive chairman of Oxford GlycoSystems, a private UK biopharmaceutical

He will assist with financing. collaborative partnerships and its eventual flotation in New York or London.

spin-off from Oxford University, is investigating the therapeutic potential of carbohydrate-based pharmaceutical products. Dr Dale Pfost, president and chief executive, said: "We see ourselves leading the field of carbohydrate research in the same way that Genentech led genetic engineering."

policyholders and an expected premium income this year of about £8m. But Sun Alliance

continental Europe as a target market for expansion and is also focusing resources on developing telephone-based sales techniques. The group's French move follows the launch of a similar operation in Germany last month. Sun Alliance already sells commercial insurance in France.

move into selling life insurance directly in France is possible.

investors are based in the US.

It has revenues of about \$5m a

year from sales of analytical instruments. It has not disclosed the fee it

will pay Mr Raab for his ser-

vices, likely to be only three

days a months. He will also

have significant share options

He left Genentech following

the disclosure that he had

solicited a \$2m personal loan

sale of the rest of the company.

man of Shaman, a Nasdaq-

listed company that develops

products based on substances

found in rain forests. He said

he would shortly announce

another chairmanship, likely

Mr Raab, 60, is also chair-

guarantee from Roche, the

in the company.

appoints Raab

Oxford GlycoSystems, a The group has raised \$40m another chairmanship, like from private shareholders. to be of a private company.

supply

company in England or Wales. The disclosure will increase speculation about further restructuring in a sector which has seen bids for six of the 12 recs in the last four

industry secretary, to wave through a bid by North West Water for Manweb without referal to the Monopolies and Mergers Commission.

even though fellow generation groups Scottish Power, National Power and PowerGen have done so.

sidering buying a supply business, essentially the trading arm of a regional electricity company which buys power from generators and sells it to consumers.

Swiss pharmaceutical giant which owns 79.9 per cent of Genentech, while he and Roche were negotiating the \$3bn-plus

interested in power

Hydro-Electric, the Scottish electricity company, is investi-gating the possibility of buy-ing a power supply business from a regional electricity

The City expects further bids, possibly this week, fol-lowing the decision last Thursday by Mr Ian Lang, trade and

Hydro is thought unlikely to make a full bid for an rec,

As an alternative, it is con

CORRECTION

Fivemere offer

Due to a technical error it was incorrectly reported on Mon-day October 23 that Network Express of the US had offered more than 239m for Fivemere of the UK. Network Express has actually offered \$10m in cash and 475,000 shares for the British data networking specialist. The estimated value of the deal is therefore more

stock market next month.

The Lancashire-based com-

of between £100m and £120m. Victrex has grown rapidly since the buy-out and its management believes a new source of funds is needed to maintain such growth. Profits, which were £3.5m on turnover of

Hozelock

builds on dry

Since privatisation five years ago, supply is run sepa-rately from the distribution arms. Distribution is - and will remain - a monopoly business, whereas supply is being opened to competition in 1998. Recs make the majority of their profits from distribution and Hydro believes some companies may prefer to concentrate exclusively on this in

Victrex to float next month

reached £10.2m on £31.3m turn-

over in the year to September.

said yesterday: "We have a

very good product and position

in the world market and we

have been growing like Topsy,

but we need to do two things

to keep it going. One is capital

investment to expand plant

and other resources, and the

Victrex employs about 70 people, but plans to increase

staff in the areas of sales and

marketing. The company has

also already begun work on

increasing the capacity of its

manufacturing plant by 50 per cent, and it plans to build a new research centre at its

second is investing in staff."

Mr Peter Rowley, chairman,

By Patrick Harverson

Victrex, the high-performance plastics manufacturer spun off from ICI in a 1993 management buy-out, plans to float on the

pany, which makes high-temperature plastics for the motor, aerospace, industrial and electronics industries, is expected to have a market capitalisation

£17m at the time of the mbo,

spell advance Shares in Hozelock rose 16%p on Friday to 434p, a new high for the year, after the garden equipment manufacturer said

it had made solid progress following the prolonged dry weather in Britain and continental Europe. The company, which is next month expected to report full year pre-tax profits of about 29m (27m), has told sharehold-

ers it was enjoying good mar-gins and continued to be highly cash generative. excellent for us and there's more underlying business to go for," said Mr David Codling, chief executive. He hinted at further expansion in continental Europe, particularly in which he described as impor-

tant areas for growth.

In a letter to shareholders, Mr Codling also urged inves tors to ratify the group's deci-sion to build a new 25.8m distribution centre in the Midlands. "It will triple the group's finished product storage capacity and will provide much enhanced distribution facilities to meet planned expansion in the future."

Heritage Bathrooms

to the market through a plac-

NEWS DIGEST each, giving it a market capi-talisation of £22.4m. In the year to May 31 it had pre-tax profits of £1.99m on

> are expected to begin today. Philip Harris buy Philip Harris, the scientific and

turnover of £12.4m. Dealings

medical equipment supplier, has acquired the Unilab group of companies for an initial £2.5m in cash and loan notes. Unilab, based in Blackburn, Lancs, makes science and technology equipment and supplies direct to the education market. Further consideration of up to £750,000, to be satisfied in

loan notes, is dependent on the completion of certain orders. In the year to March 31 1995 Unilab made pre-tax profits of £82,000 on turnover of £4.1m after excess directors' costs of £235,000. Net asset value at completion has been warranted at £330,000.

An exceptional charge of £900,000 relating to the rationalisation of operations will be taken in Harris' accounts for the year to March 31 1996.

Adwest purchase Adwest Group is acquiring Conversion Devices, a US power supply manufacturer,

for up to \$10.4m (£6.5m) from EQ Corporation. The price includes an earn-out which could be a maximum of \$3.3m. In 1994, Conversion, based near Boston, Massachusetts, made pre-tax profits of Heritage Bathrooms is coming \$700,000m on sales of \$8m. Sales in the current year are ing of 7.52m shares at 125p forecast at \$9.9m.

Mr Rowley said the company was experiencing increasing demand for plastic materials capable of performing under hostile conditions. The company's principal

headquarters near Blackmool

product is Peek, or polyether-etherketone, a high-performance plastic with properties such as chemical inertness, high resistance to wear and ease of processing into compo-

Baring Brothers will act as sponsor and Cazenove as stockbroker to the flotation. Victrex's main backers at its mbo were CVC Capital Partners, NatWest Ventures, Chase Man-



Peter Rowley: responding to

Telia offers savings through call routing

The 50,000 small and medium-sized companies which spend more than £250 a month on international telephone calls are the principal UK target for Telia, Sweden's state-owned telecoms operator.
It is offering these companies savings of up to 30 per cent on

international calls through a new service, international sim-

ple resale (ISR). The calls are

switch, located in west London, and from there to its network in Sweden for onward

The service also covers UK domestic calls. There are no start-up costs and no minimum

call charge. Telia is not the first ISR

have been given and the report is back with Mr Lang, however, analysts said any amendments requested by EU offi-cials might cause further delay. Lyonnaise announced its intention to launch a bid for Northumbrian, which is due to report half-year results on

Decision

expected

on French

water bid

Mr Ian Lang, the trade and

industry secretary, was expec-ted to reach a decision this

weekend on the proposed take-

over of Northumbrian Water

An announcement was

expected last week, but it is

understood that the DTI report

was delayed in Brussels, EU

approval is now thought to

by Lyonnaise des Eaux.

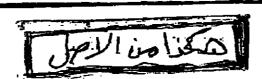
By Chris Price

the regulatory process was completed.
Although Mr Lang is likely to give the go-ahead, it is unclear what conditions might be attached. Ofwat, the industry regulator, recommended that if successful Lyonnaise operator in the UK - it has at least 16 competitors - but it cuts of 15-20 per cent. If these are part of the deal, Mr Lang

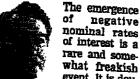
€.

Thursday, in March. It declined to detail its offer until

routed over the public	period they must be made.				
	CROSS BORD	ER M&A DEALS			
BIDDER/INVESTOR	TARGET	SECTOR	YALUE	COMMENT	
AGL (Australia)/Energy Initiatives (US)	Solaris (Australia)	Electricity distribution	£454m	Victoria cont- inues electri- city sales	
Eleag Bailey Process Automation (US)	Hartmann & Braun (Germany)	Electronics	£452m	Mannesman disposal	
Norske Skog (Norway)	Bruck (Austria)	Paper	£202m	A first inter- national buy	
Johnson Controls (US)	Roth Frères (France)	Auto	£110m- £127m	Develops exist-	
Pilkington (UK)	SIV (Italy)	Glass	£120m	Strengthening Europe presence	
D George Harris (US)	Unit of RTZ (UK)	Minerals	288.8m	Silica disposal	
Dana Corporation (US)	Unit of GKN (UK)	Auto components	£58m	Part of strategic exchange	
Deutsche Bank (Germany)	tvor Jones, Roy & Co (SA)	Stockbroking	£8.7m	50/50 partnership	
Frederick Cooper (UK)	Bonny Products (US)	Household goods	£3.8m	Reducing UK dependence	
Interrope (IUC)	Onthura (Canada)				



Global Investor / John Plender



nominal rates of interest is a rare and some what freakish event. It is doubly freakish, in the latest mani-

festation in Japan, because it has happened twice there in less than 10 years.

First we saw Japanese com-panies in the 1980s scarcely able to believe their luck when they obtained a negative cost of capital by swapping the pro-ceeds of warrant-related eurobond issues back into yen. Now, with boom moving to bust, we have negative returns on one side of many yen-denominated interest rate swaps, where the original terms were fixed at a discount to the Tokyo interbank offered rate (Tibor).

The BEING T

11 14 Sec. 11.

and design Warre

Decision

expedia

on Fres

water

والأخوارة ب 22/224 Tibor, a variable rate, cur-rently stands at a mere 0.5 per cent, compared with typical fixed swap discounts agreed in happier times of 0.75 per cent. Counterparties are thus confronting demands for both the original agreed swap rate, and an additional 0.25 per cent.

There are several explanations for negative interest rates, the most common of which stems from unanticipated inflation. While nominal rates remain positive, the real interest rate after adjusting for

Some comparisons can be overdrawn

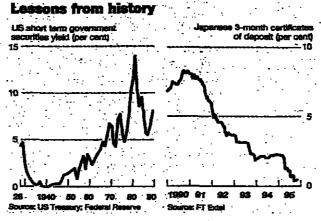
vided frequent examples. Negative nominal rates of interest are rarer. They can arise from unwanted hot money flows - witness the Swiss National Bank's decision in the late 1970s to impose a reserve requirement of 100 per cent for non-resident deposits. To recoup the resulting increase in their cost of funds, Swiss banks had to charge for-eigners for putting money on

inflation is negative. The Brit-

ish home loan market has pro-

The aim was to prevent currency overvaluation and a loss of competitiveness. The inflow stemmed partly from German investors' desire to escape from a new withholding tax in the Federal Republic. Yet the experiment was a mixed success. Unlike the present situation with interest rate swaps, the depositors were not locked into existing contracts. They were able to take avoiding action, for example by choosing near-equivalent financial assets.

With Germans once again pumping money into Switzer- aged via a currency board,



land, this time in flight from European monetary union, negative rates are being mooted. In today's more sophisticated financial environment, that would provide financial engineering opportunities for derivatives experts but possibly not much help to

Similar problems can arise where exchange rates are man-

Economics Notebook

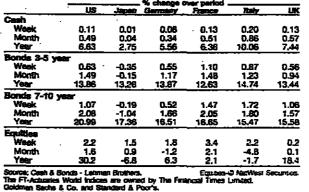
Why states

must grow

Growing older and growing slower

Public health and peasion spending as a % of GDP

Total return in local currency to 2/11/95



Japan is something else again. The 1980s warrant bonds were an example of investors being prepared to subsidise companies' borrowing costs because they believed that asset price inflation was forever. The subsequent outbreak of negative rates in interest rate swaps reflects the aftermath of the bubble - a classic

symptom of incipient deflation.

Had there been a swaps mar-

ket in the 1930s, deals conducted before the October 1929 stock market crash would have run into similar trouble between 1934 and 1936, when more than a third of the country's banks went out of business and the US Treasury bill rate hovered around 0.125 per cent (see chart). As it was, the more obvious deflationary symptom in the 1930s, as in the earlier Great Depression of positive return because the

price level was falling. Interestingly, the Swiss banks in the 1980s often set minimum interest rates when advancing floating rate loans. explicitly citing the need to protect themselves from low or negative rates. No doubt the swaps market will now follow

suit. Where, meantime, do the Japanese go from here? The parallel with the 1930s can be overdrawn. Whereas the US saw real incomes fall by 36 per cent between 1929 and 1933, any fall in Japan has been insignificant. Deflation has so far been mainly confined to the price of assets, rather than

goods and services.

Moreover, the stance of fiscal and monetary policy has changed significantly since July. Taxpayers' money is now being used indirectly to ball out the banks. And with the banks' cost of funds down to a mere fraction of 1 per cent, they can follow the US banks in exploiting a favourable yield curve, although the risks in Japan are much higher with the fiscal position deteriorat-

ing.
The crisis is not over yet. But if the Japanese authorities do manage to avoid a meltdown, the lesson of history is that Japan might then, with a large negative output gap, be due for a period of well above average growth. After the banking panie of 1873, which marked the beginning of the 19th century Great Depression. the US saw a phenomenal 9 per cent annual growth in real income between 1875 and 1879. (For the US, the Great Depression was an outright misnomer; while people were mesmerised by a plunge in the

price level, output soared.)

s for the 1960s. Fried-A man and Schwartz in their classic monetary history of the US show that the 9 per cent growth rate in 1875-79 was only topped in peacetime by the boom that followed the contraction of 1929-33. Net national product rose 12 per cent a year in constant prices between 1933 and 1937. That, too, flies in the face of popular perception. How a comparable boom would affect the Japanese stock market is another matter. Despite the pricking of the bubble, today's values in Tokyo bear no comparison with Wall Street's bargain basement back in 1933.

Richard Mooney

sustain eco

nomic growth by limiting the size of government, or do they limit the size of government by sustaining growth? Three years as the Governor of Hong Kong have left Chris Patten believing in the first proposition.

In his view, lean government helped east Asia grow rich, and it could do the same for the lethargic economies of western Europe - if only our over-burdened political systems would allow it. Yet, even if we assume with Mr Patten that east Asia's success was grounded more in universal economic principles than for Europe would be less obvi-

ous than he suggests. There is no getting around the fact that government outlays take up a far smaller share of GDP than in most western European countries. Government spending in the "tiger" economies of Hong Kong, Singapore, South Korea and Taiwan averaged 20 per cent of GDP between 1980 and 1993, compared to an average share of 48 per cent for the European industrial countries.

Those who argue that small government is the result rather than cause - of east Asia's success can point out that it is far easier to keep government expenditure rising in line with GDP when the denominator is going through the roof. The tigers' real GDP per capita grew by roughly 61/2 per cent a vear, on average, hetween 1980 and 1993.

In the long run, though, it is one of the best-established relationships in economics -Wagner's law, named after Adolph Heinrich Wagner, a nineteenth century German economist - that the ratio of government spending to GDP will rise as a country grows richer. This is because publicly-provided services, such as education and health, are

confirm Wagner's prediction.
The tiger economies do seem so far to have to avoided it, even though real GDP per capita, at least in Singapore and Hong Kong is now close to European levels. But the fact that they have managed to achieve western standards of living without western-style expenditure growth may have very little to do with their approach to government, and everything to do with demog-

Alongside the region's rapid development was an equally dramatic move towards rich country rates of population growth. This rapidly declining birth rate had two highly favourable consequences for government spending. First, because there were fewer young people, governments could meet the demand for higher levels of education without actually having to spend more on education as a share of GDP. The second

"superior goods": a 1 per cent bonus was higher national event, their contributions increase in income triggers a saving, because a rising share more than 1 per cent rise in of the population was going demand.

Over the years, every industrialised country has tended to cycle by which high saving made for continued high rates of growth, leading to a further rise in overall saving, because saving by richer, middle-aged workers exceeded the dis-sav-

ing of their retired parents.

Sooner or later, the logic of declining population growth will start to work the other way round, leading to higher levels of government spending on health and pensions. In Singapore, for example, the Asian Development Bank calculates that nearly 30 per cent of the population will be over 60 in 2025, compared to less than 9 per cent in 1990. Traditional, informal systems of providing for the elderly have so far been surprisingly resilient against the effects of rapid economic and social change. But the World Bank and others firmly expect the region to move towards more formal, public, methods of support in future. This does not necessarily

mean the government share of GDP will reach European levels. It all depends on whether east Asia can avoid the two problems which have done most to speed the workings of Wagner's Law in Europe. First, and most important, was a rapid decline in average rates of economic growth since the early 1970s, which put further upward pressure on public spending just as the effects of an ageing population were beginning to kick in.

with a peg to a stronger cur-rency. Hong Kong, with a US dollar peg, has suffered from

hot money inflows when its

exchange rate has looked

super-competitive against the

United States. While it has

never gone as far as Switzer-land, the Hong Kong govern-

ment felt obliged earlier this decade to prepare legislation to

permit local banks to pay nega-

Europe's second problem was its reliance on "pay as you go" pensions systems, which fund public pensions using current workers' contributions. This may have produced a vicious circle which is an exact reversal of east Asia's youthful, virtuous one.

ing to receive a public pension, may save less than they would otherwise. At any have not added to national saving - as they would under a funded scheme. Indeed, public dis-saving has risen, as governments struggle to meet pension demands in a low investment, low growth environment

As many of Mr Patten's critics have pointed out, east Asian governments have not generally been known for their laissez faire approach particularly with regard to the mandatory pension schemes and state Provident Funds employed to increase national saving. Fronically enough, the most relevant lesson for Europe, of east Asia's growth miracle may in fact be the need for more rather than less state involvement in the functioning of certain parts of the economy. Adopting an Asian approach_to ensuring that baby boomers save for their old age would not, in itself, free Europe from the trap of low savings and growth rates. ever further in the wrong direction.

Stephanie Flanders

COMMODITIES

Grain trade meets in Brussels

With world stocks of grain at a 20-year low and prices close to historic highs, the conference on the World Grain Trade to the Year 2000, which the Agra-Europe intelligence agency is holding in Brussels on Wednesday and Thursday, is likely to attract considerable interest.

The keynote address will be given by Mr Jose Manuel Silva Rodriguez, the European Union's director of crop products. Other speakers include Mr Trevor Flugge of the Australian Wheat Board and Mr Germain Denis, executive

Notice of Partial Redemption to the Holders of

Banco Central de Costa Rica Series A interest Claires Bonds

Banco Central de Costa Rica Series 8 interest Claims Bonds

teach dated May 21, 1990 leollectivate the "Interest Claims Bonds")

NOTICE IS HEREBY GIVEN TO THE HOLDERS OF THE INTEREST CLAIMS BONDS, pursuant to the provisions of the respective Fiscal Agency Agreements dated as of May 1, 1990 among Benco Central de Costa Rica, the Republic of Costa Rica as Guarantor, and Benkinence *Nations Trust Company (forment) BankAmenca Trust Company (forment) BankAmenca Trust Company of New York) as Fiscal Agent, that the following described Parcipal Coupons on each Interest Claims Bond will be redeemed on November 21, 1995 at the principal amount themot with the proceede of Value Recovery Payments; required to be made by Banco Central de Costa Rica pursuant to Section 12(B) of each Interest Claims Bond.

Principal Coupons to be Redeemed

May 21, 2005 February 21, 2005 November 21, 2004 August 21, 2004 May 21, 2004

Payment of the principal amount of each Principal Coupon due upon redemption shall be made on or after auch redemption dele-upon the presentation and sumender of the Interest Claims Bonds, together with all Principal Coupons called for redemption all Principal Coupons called for redemption and logistics with all interest Coupons coming due and payable on or after Mey 21, 2004, at any of the following locations:

BankAmerica National Trust Company One Woold Trade Center, 18th Floor

Bank of America National True and Savings Astociation 25 Cannon Street London EC4P 4 HN, England

director of the International Grains Council (formerly the International Wheat Council). In its latest crop report last month the IGC confirmed that the world supply situation was

continuing to tighten, with sharp cuts in estimates of production in Mexico and the US being largely responsible for a further 14m-tonne reduction in projected coarse grains production for 1995-96, compared with the figure given in its September report. It also reduced its wheat crop estimate by about 3m tonnes.

With consumption estimates being reduced by smaller amounts, projected end-season stocks for both coarse grains and wheat were cut still fur-

Other events this week include the Latin American Mining Conference in Caracas, Venezuela, which began yesterday and continues until

Caracas is also the venue for Thursday's forum on the privatisation of Venezuelan aluminium companies, which is organised by the country's Alu-

minium Industry Association On Wednesday J.B. Were and Sons and the Victorian Chamber of Mines are holding their Victorian Resources Conference in Melbourne. In the evening, also in Melbourne, the LME (Down Under) dinner will

be held. Also on Wednesday, in Pocos de Caldas, Minas Gerais, Brazil, Minas Gerais co-operatives and the state's Agriculture Federation begin their threeday conference on the International Coffee Market, Demand

and Outlook

The Financial Times plans to publish a survey on

Northern Ireland - The New Business Opportunity on Thursday, November 30

The FT is circulated in 160 countries worldwide, with a readership in excess of one million people.

• More than half of Europe's top Chief Executives read the FT.

• in Ireland the FT reaches 37% of business readers. 61% of readers are in Banking and Finance. 60% of readers are Chairman/Chief Executive.

• More UK business people read the FT than any other national daily newspaper.

For more information on editorial content and details of advertising opportunities available in this

Charles Blandford Financial Times, 20 Upper Merrion St., Dublin 2. Tel: 353 1 676 1184 Fax: (01) 676 2125 Kirsty Saunders Financial Times, One Southwark Bridge, London SE1 9HL Tel: 0171 873 4823 Fax: 0171 873 3204

Data Sources EBRS 1993 BMRC 1993

FT Surveys

FT/S&P ACTUARIES WORLD INDICES

The FT/S&P Actuaries World Indices are owned by The Financial Times Ltd., Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by The Financial Times and Goldman Sechs in conjunction with the institute of Actuaries and the Faculty of Actuaries. NatiWest Securities Ltd. was a co-founder of the Indices.

NATIONAL AND			FRED/	Y NOVE	MBER 3	1995				URSDAY	NOVEME	SER 2 19		DO	LLAR IN)EX
REGIONAL MARKETS - Poures in perentheses	US	%chg	Pound				Local %	Gross	UŠ	Pound	V	DM		•••		Year
show maniper of lines	Dollar	96709	Starting	Yen	DM		chg from	Div. Yleki	Doffer Index	Sterling Index	Yen Index	index	Currency : index	High		(SEE)
Cí stock	Index	80/12/94	index_	index	Index	authéx.	30/12/94	13984	hirtor	76.00		FRAN	-~~	THE ST		(approx)
		6.9	172.25	120.27	135.07	161.09	9.5	4.03	180.51	169.27	118.21	133.18		191.01	157.95	170.23
Australia (82) ,	183.54	-5.7	161.80	112.98	126.88	126.80		1.32	172,14	161,43	112.73	127.00		199.28	157,48	184,43
Austria (27)		15.4	182.44	127.38	143.06	139.55	5.5	3,75	193.55	181.50	125.75	142,80	139,23	201.12	164.78	169.29
Flatelium (95)	_13"."	-18.1	128.41	88.66	100.69	242.28		1.74	135,15	126.74	88.51	99.71	239.39	188.35	86.06	170.66
2mm1.660 '	_130.02	-10.1 11.6	135.47	94,59	108.23	140.59		2.52	143.30	134.38	83.84	105.72		150,83	121,81	133.39
Canada MMB		11.9	264.40	184,51	207.33	210,14		1.54	280.85	263.38	183.92	207.20		295.99	235.61	249.91
Danmark (39)	_201,10		212.14	148,13	166.35	202.24	9.3	1.58	220.34	206.52	144.29	162.56		276.11	177.13	197.00
Finland CR	_220.00	7.9	165.87	115.68	129.91	135.51	-1.0	3.24	176.14	165.17	115.35	129.95		191.17	157,79	170.26
France (100)	110.20		149.34	104.27	117.10	117,10	1,4	2.04	158.88	148.89	104.05	117.22	117.22	167,74	135.39	143.36
Germany (SIA)		11.0	354,44	247.49	277.94	374,94		3.88	374.76	351.43	245,42	276,50	372.02	389.39	277,40	385.77
Hone Verse ICE	_3//	15.B 19.6	231,46	161.61	181.50	215.11		3.50	245.90	230.50	180.97	181.35	214.25	250.55	195.34	208.25
Instruct 78	_240.00		57.39	47.06	52.85	85.48		1.78	72.49	57.98	47.A7	53.48	88.39	82.71	65.45	77.85
		-4.6	131,46	91.79	103.08	91.79	-7.3	0.83	140.16	131,44	91.79	103.41	91.79	, 164.82	138.95	161.09
Jacon (1961)		-10.8	418.60	292.28	328.25	437.36	-7.2	1.88	447,75	419,88	283.22	330.35		581.96	398.16	521,60
Minimuelo (109)	,,44Q.UJ	-7.0	845,18	590.82	683.51	7309.69		1.90	913,31	858,44	598.10	673.81	7904,51	2155.31	847.81	2082.55
Literature (10)		-36.3	239.06	165.92	187,46	184,35		3.54	253.64	287.85	186,10	187.13	183.95	263.99	207.60	219.18
Netherland MCN		17.4	76,10	53.13	59.67	65.80		4.35	80.62	75,80	52.79	59.48	85.18	85.49	69.56	· 77.20
New Zoolood (t.4)		15.1	213.29	148.02	187.25	192,67		2,17	226,11	212.03	148,07	166.82	192_07	243.79	192.02	200.29
Market (20)		6.6	347.58	242.88	272.52	241.22		1.70	369.01	346.04	.241.68	272.25	240,71	414.26	313.94	394.58
Grandon // //	_310.01	-0.7	340.47	237.73	266.97	289.13		4.02	360.76	338.30	236.25	266.16	257,42	366.62	281.06	334.42
South Africa (45)		7.8	138.59	98.77	108.67	138.51	3.7	4.17	147.48	138.28	96.57	105.79	136,84	160.51	124.10	141.25
Sidesia (1991)		11.9		204.12	229.23	806.63	20.6	1.90	306.43	287.35	200.67	· 226.08	301,46	320.43	225,80	291.54
Sweden (49)		34.8	292,33	147.68	165.85	159.00		1,67	223.24	208.34	148,19	164,70	158.21	225,37	158.38	164.72
Charleson and 1445		36.4	211,51	101.79	114,32	152.20		2.68	154.08	144.47	100.89	113,66	150.94	184.55	130.15	180.58
Theliand 463	155.34	-1.8	145.78	146.21	164.20	209.39	13.4	4.10	224.71	210.72	147.15	165.79	210,72	227.31	187.07	203.83
Striket Kinnstown (2015)		14.5	209.39	158.43	177.93	241.78	28.8	2.44	241.53	228.49	158.17	178.19	241,53	242,04	182.33	191,14
LISA (504)	_41.78	28.8	226.91	130,43				- 0.44	000.04	000.04						
USA (504)		26,5	206.78	144.37	162.13	185.03		2,44	220.04	208.34		162.34	184,78	220.86	170.66	178.65
American MACL	20.32	14.9	182.25	127.25	142.91	162.62		3,10	194.17		127.15	143.25	162,78	. 199,02	163.04	173.71
		25.4	264.11	184.41	207.10	237.66		1.82 1.29	277.38 150.73	280.11 141.34	181,65	204.64	234.43	295.02	215,79	225.77
North MATE		-8.2	141.59	98.86	111.02	101.99	-5.5	2.18	188.74		- 110.50	111.21	101.83 124.86	171.87	145.03	170.28
Pacific Bardo (892)	" 100.0.	1.6	158.44	110.63	124.24	124,91	0.0	2.45	235.46	220.80	154.19	124.49 173.71	234,71	178.33 235.91	154,73	171.81
HER Donling (1571)	,,100.~~	. 28.0	221.25	154.49	173.48	235.01	27.8	2.54	173.59	162.78	113.68		136.64		178.66	187.56
NEWTY ARRESTON (BILL)	230.10	15.2	163,61	114.24	128.29	136.53	5.0	3.32	250.54	234.94	184.07	128.07 184.84	219.57	179.46 268.72	148,45	154,01
FINAL CO. IN 1829	_11744	6.0	236.95	185.44 ·	185.80	221.37	6.2 0.0	2.20	169.70	159.14	111.13	125.20	128.37	178.79	211,19 155,42	259.85
		1.5	159,40	111.30	124.99	128.46		2.10	188.58	178.89	123,49	139.13	156.08	197.32	163.48	175.30
ENAMED BY 11% (1789)	100.00	10.5	177.29	123.79	139.02	158.33	17.5	2.76	220.39	206.67	144.33	152.60	205.08	221,43	178.95	175.70
World Ex. UK (2080)	,] U.S. 20	20.2	207.12	144.62	162,41	205.30	1120					10,00		CLIPO	11022	189.29
World Ex. Jacour (1783)	20.79		-00.40	125,75	147,22	161.01	9.7	2.30	191.73	179.79.	125.50	141.45	160.88	194.25	165.92	178.18
The World Index (2266)	.191.91	10.9	180.10	150010		1005 85	dolds reserv	ed. 171/8/	LP Actuaries	' in a joint t	radiomek a	of The Fine	noisi Times	Limited an	Standard	4 8
The World Index (2266)	Indied, Go Finland I let 31, 19	estran, Sao Dec 31, 198 94 = 190,4	Ha& Co. 20 7 = 115.037 4 (US \$ in:	vi Standari (US \$ Indi ded, 184.0	ed, 90.791 7 (Pound	Pound St Starting)	erlang) and 9 nd 148.94 (L	ocal. Co	ĝ; Nerdici Di politicost ob	10 30, 1998 enges duri	= 139.65 (L ng the we	IS S Inded ek. ending	, 114.45 (Pe 3/11/85: A	und Starling didition: US	and 123. When Ma	22 (Locult du (USA);
Nomberken (Septen).																

Notice at further given that unerest shall case to accrue on that person of the principal amount of the Interest Claims Bonds evidenced by the adorestic Principal Coupons being redeemed from and other November 21, 1956, which is a echacked interest payment date for the interest Claims Bonds. The raderoption on November 21, 1995 will be funded with the proceeds of the November 21, 1994 and May 21, 1995 Value Recovery Payments in respect of which Bence Carwal de Costa Pica deposited funds with the Fisca

Agent on October, 1985, and with the proceeds of the new Value Recovery Payment which will become due and payable on November 21, 1985. By: BasicAmerica National Trust Company as Facel Agent

Daled November 1, 1995

USD 150,000,000 SOLVAY FINANCE (Bermuda) LTD

Floating Rate Notes

due 1998 Serie 1 USD 120 000.000 Interest Rate 6.375% p. a.

Interest Period November 06, 1995 May 06, 1996 Interest Amount due on May 05, 1996 per USD 500,000 USD 16,114.58

BANQUE GÉNÉRALE DU LUXEMBOURG Agent Bank

To Advertise Your Legal Notices

Please contact Tina McGorman

on

Tel: +44 0171 873 4842

Fax: +44 0171

873 3064

BARCLAYS INVESTMENT FUNDS (LUXEMBOURG) Registered Office: Galerie Kom, 4th Boor, 26, pince de la Gare L-1616 LUNEMBOURG, RC Lunembourg 31 (19

NOTICE OF ANNUAL GENERAL MEETING The Annual General Meeting of Statisholders is to be hold at the registered office of the Company on Wednesday. 15th November 1995 at 11.30 am yet on soon thereafter as it may be held for the

To grant a miximige to the forecast in temporal of their duties for the year ended 31st July 1945.
To re-effect Messus Fox, Pauly, Pyrke, Wilman, Gofffein, Juan Y Seva and Phillipp as Direction.

Visiting
Stougholders are advised that in accordance with the Articles of Incorporation the Armini General
Meeting of Shareholders will require a quorism of 10% of the though outstanding.

Vehing Arrangements.

In other to other at the meeting the holders of Benter shares must deposit their shares not later their Menalty 13th November 1945 either at the repracted office of the Company, or with any bank or financial instantion acceptable to the Company, and the relative Deposit Recepts is high may be obtained from the registered office of the Company into a the relative Deposit Recepts is high may be obtained from the registered office of the Company to arrive not taker than Tuesday. 14th November 1945. The shares so deposited will remain blocked until the day following the a meeting or any adjournations thereof.

The bodders of registered shares need to a deposit their certificates but sats be present as person or represented by a duly appointed provy.

epresented by a duly appointed procy. Shareholders who emmor attend the meeting as person are invited to send a duly possibled and signed proxy form to the registered office in arrive not bater than Tuesday 14th No

KNIGHT-RIDDER'S FUTURES MARKET DATAKIT FOR CHLY \$595 inter Surveys \$1256 worth of data and universit for just \$100 paint postage had pecking. Stormation the Spain Vald. 70 Past Stant, Lorente EDNY 5114, England Tab 44 \$115 Y 842 stars

The Emerging Investor / Mark Nicholson in New Delhi

India enters traditional pre-election doldrums

History suggests India's stock record lows against the dollar, markets "worry unduly" about nearing Rs36 to the dollar durthe country's politics, according to the head of one foreign institution in Bombay.

For each of the country's last six general elections, he points out, the market has been subdued for the six months before the poll, then relatively buoyant for the six months afterwards, regardless of which party or coalition takes power. With India's next election perhaps just six months distant, and its outcome highly uncertain, Bombay analysts concur that history looks set to

The Indian market has been suffering from political queasiness for much of this year, following electoral reverses for the ruling Congress Party in state elections last autumn and spring which suggested next year's national poll may result in a hung parliament.

repeat itself.

There have been other depressants, particularly high interest rates and the heavy overhang of shares following a \$20bn two-year binge of equity offerings. But political disquiet consistently undermined senti-

With the 30-share Bombay stock exchange Sensex index hovering around 3.400, nearly a third off its peak last September of 4,636, most market watchers believe prices are now largely discounted for bad political news.

Prices slipped this week as the rupee flirted with new

ing hectic trading, adding a new depressant on prices. However, over the medium term, and assuming no further rupee shocks, analysts believe most other negative influences appear on the wane, while a number of positive factors may gently buoy the market before

Foreign institutional investors (FIIs) in Bombay see the market trading in a range between 3,400 and 3,900 before the poll and setting new highs above 5,000 thereafter.

the elections.

Within this expected range, the Indian market looks cheap by Asian standards, with the Sensex 30 shares now trading at a n/e of 18 and the wider market at about 12. Moreover, even after an excellent year of corporate profit growth in 1994-95, analysts see earnings per share growth of 25-30 per cent for the present fiscal year, ending in March.

Though there are concerns about India's fiscal deficit and inflation after the elections, economic fundamentals are currently strong. Inflation has been cut and held at 8.5 per cent, industrial growth is at a potent 14 per cent and, following good monsoon rains for an eighth successive year, economic growth for the year is likely to nudge 6 per cent.

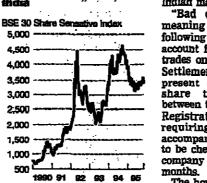
Some depressants have also faded from the market, particularly the effect of heavy selling by Unit Trust of India, easily the market's biggest dealer, which faced a big tranche of redemptions earlier this year, partly resulting from the liquidity squeeze on corporate unit holders.

The primary issue market has also shrunk to more digest ible levels. The first half of fiscal year 1995-96 saw Rs83bn raised on the primary market, 32 per cent down on the same period last year, according to the Centre for Monitoring the Indian Economy.

Sentiment has also been improved by the renegotiation of the \$2.8bn Dabhol power project, led by Enron Corporation of the US, India's biggest foreign investment which the state government of Maharashtra "scrapped" in August. And the political disarray in several states run by opposition parties have begun to make the electoral prospects for the ruling Congress party look marginally better.

Market liquidity is also improving, with inflows from Fils averaging between \$160m-\$200m in recent months after a significant downturn late last year and early this year. In addition, the decision by the Securities and Exchange Board of India, the market regulator, to permit the re-introduction of forward trading will give liquidity a further fillip.

In late 1993 Sebi banned "badla", as the previous, loosely regulated and often opaque "carry forward" system of share trading was known. tion procedures which dog the



Brokers complained that it stripped the market of lubricating speculation - by some estimates a full third of trading before the ban was "carried forward", without physical settlement

The new system is expected to take effect next month. It requires traders to settle all positions within 90 days and sets a formal and rising scale of margin payments on rolled over positions - previously such payments were often, in effect. discretionary and

Improved liquidity on its own is unlikely to stir a market rally. What might, however, is concrete steps towards the establishment of a system of share depositories, which would gradually replace the present nightmarish paper-based settlement and registraIndian market

"Bad deliveries", usually meaning queried paperwork following a share transaction, account for at least a fifth of trades on the Bombay bourse. Settlement alone under the present system of physical share transfer can take between three and four weeks. Registration of ownership, requiring the shares and accompanying transfer deeds to be checked and counted by company registrars, can take

The horrific burden of costs, delays and risks this system places on investors and their custodians has become perhaps the biggest structural constraint on the Indian market, and most particularly on foreign investors.

Share certificates in India tend to be in small lots of 50 or 100 shares in a market which has traditionally been geared to retail investors. But with FIIs, for instance, dealing in single transactions averaging \$230,000 a time, the custodial problems of dealing with the ensuing paperwork have become a considerable constraint and deterrent. It is one of the chief reasons why, of 325 registered FIIs in India, only 20

or 30 are truly active. However, improvement is in sight. The Indian government recently issued an ordinance permitting the creation of share depositories. They would replace paper transfer with which would

dematerialise the shares and effect, on behalf of market participants, all share transactions by computerised book entry, the norm on most European and North American exchanges

Detailed regulations on depositories are due to be published by Sebi towards the end of this month. At least one investor, the Stock Holding Corporation of India, owned by the state's main financial institutions, already has advanced plans to set up the first deposi-

Mr R Chandrasekaran. SHCIL's managing director, believes his depository can be operating by early next year and that by mid-1996 a substantial portion of intra-institutional trading could be under the smoother, faster and more transparent automated settlement system.

Almost all analysts and brokers agree this would immediately draw more foreign investors into the Indian market. By some counts, average monthly inflows might quickly double to about \$400m a month. Until the results of India's

elections are known, and if progress in setting up the first depositories are as swift as people like Mr Chandrasekaran claim, this single structural reform to India's market may prove the trigger for a rally which could pull Indian share prices closer to levels the present strong fundamentals would

Baring Securities emerging markets indices



Egypt Egypt's piecemeal privatisation programme kicks off again after a summer respite with the sale of a minimum 10 per cent tranche of the state-owned Helwan Portland Cement Company, writes James Whittington in Cairo. The offer opened on Thursday at E£34 per share and is available to both foreign and local investors. The Egyptian Financial Group, which is advising the holding company. says that since all demand for shares will be met, the sale is

10 per cent of the company's total equity. Cement companies have been favoured by investors in the market since the government's privatisation programme began more than two years ago. Helwan is the country's second largest producer and has already announced a cash dividend of R£4 per share for this year. The market continued to fall last week as many investors sold in order to buy Helwan.

The general CMA index for

closed the week down 3.51 at

openly traded companies

303.96. However, volume

continued to rise strongly

likely to represent more than

boosted by increased foreign

■ Morocco

The privatisation process also restarted last week, Remer reports from Rabas. The government was preparing to sell the country's biggest refinery, Samir. Valued at about \$1bn, it would be the biggest flotation so far. Analysts said that the government needed to boost receipts as the money raised so far this year amounted to half the targeted \$400m. Details of the privatisation have not been released but the minister responsible for privatisation said that part of Samir's equity would be floated on the Casablanca exchange and a majority stake would be sold to a strategic investor.

Peru

Equities fell steadily during September, according to official figures released last week. The general index week. The general must be declined 7.8 per cent. while volume rose by 8.3 per cent.

• Edited by John Pitt. Further coverage of emerging markets appears daily on the World Stock Markets page.

1 1 1 7 E

CURRENCY MARKETS

Debt talks to dominate markets

The talks between US President Bill Clinton and the Republican leadership in Congress over the extension of the federal debt ceiling are likely to be the focus of attention in the foreign currency markets

this week. The dollar had a good week last week, gaining ground against the yen and consolidating against the D-Mark. It was lifted in large part by overseas purchases, mainly by Japanese investors, on the back of a

strong US Treasury market. Dealers this week will be looking for evidence of further

capital flows out of Japan. But rates before the end of the franc to make further gains. signs of agreement on the debt talks would provide another large boost.

The most important economic data out this week is likely to be the US producer price figures due on Thursday, which are expected to show a weakening of inflationary pres-

sures last month. The consensus forecast is for a 0.1 per cent rise on the month compared with 0.3 per cent in September. Although a drop in inflation is likely to increase the probability of

year, economists think weak inflation figures should support the dollar.

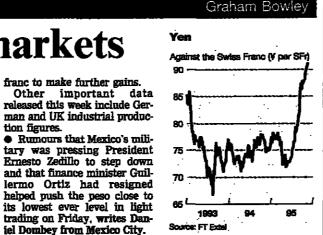
On the European cross-rates, any dollar strength is likely to support most currencies against the D-Mark. Sterling will almost certainly remain tied to the dollar.

The French franc's performance will be under close scrutiny. It benefited last week from a perception that the French government has become more committed to improving public finances. But another cut in US interest more details are needed for the

Other important data released this week include German and UK industrial production figures. Rumours that Mexico's military was pressing President

lermo Ortiz had resigned helped push the peso close to its lowest ever level in light trading on Friday, writes Daniel Dombey from Mexico City. The rumours were strenuously denied by the Mexican government and the currency staged a partial recovery. It

and that finance minister Guil-



closed at 7.39 to the dollar,

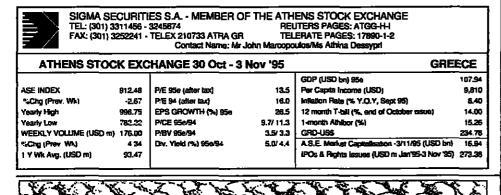
down 1.4 per cent for the day,

Month on mon Percen 3/11/95 -18.82 -4.15 -1.33 -0.95 -6.03 World (360) 139,22 Latin America -13,73 -11.82+2.96 +2.21 74.29 178.68 Argentina (23) -30.70 -25.98 -14.66 -12.28 -17.67 -9.00 Brazii (22) Chile (15) +1.25 -1.01 -0.05 -0.54 -0.08 +2.23 -8.38 +1.22 -11.71 185,59 -35.30 Mexico (24) Peru (15) 63.17 +1.88 +1.04 +91.89 +10.83Latin America (99) ..111,18 Europe +14.00+12.18 99.17 -4.01 Greece (20) -0.29 -5.70 -0.24 -5.30 +1.56 +1.33 +0.09 +2.62 +25.73 Portugal (23) +2.26 Turkey (21) South Africa (33) 101.84 +4.72 +3.29 +15.89+12.42 Europe (97) 117.60 Asia +8.34 +12.57 -1.18 +6.24 +8.99 142.03 Indonesia (32) -2.70 -11,02 -1.74 -4.99 +1.97 -5.58 152.46 Korea (23) Malaysia (22) Pekistan (16) 209.68 -7.08 -5.05 -12.94 -15.94 -14.75 -6.08 -31.41 -35.14 -29 5R -12.45 Philippines (15) 246,99 -2.00 -3.59 -32.18 -9.03 Thalland (26) -5,60 Taiwan (31) 124.89 -3.04-2.37Asia (163) 197,61

Emerging in Toronto

Up to 3 times daily non-stop from UK for perfectly timed arrivals

AIR CANADA A BREATH OF PRESS AIR





Business Information



THE RIGHT BUSINESS **INFORMATION**

In the age of information, the hard thing is to find the right information; key company information that's relevant and to the point

FT McCarthy is your vital source. Our network can provide comprehensive information on the exact companies and sectors that interest you. Every day we gather information from the world's top business publications - it would take you all day just to read them - sort it, and store it. You can access just what you need - by company, by industry, by country or by market Industry speculation as well as the hard facts.

Access is on CD-ROM, online or hard copy, so it's easy to be on the right side with FT McCarthy. Start today by sending the coupon.

FT McCarthy. The right business information

Complete this coupon and sen-	id it to: Michael Ridgway, FT McCa	uthy. Financial Times info	nnation, Fitzroy House,
13-17 Epworth Street, London	ECZA 4DL Telephone: 0171-82	5 7953. Please send me d	etails of FT McCarthy.
Name		_	
Manie			

FINANCIAL TIMES

after having touched 7.75. The table below gives the latest available rates of exchange frounded) against four key currencies on Friday, November 3, 1995 , in some cases the rate is nominal. Market rates are the average of buying and salling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

		६ इरव	US \$	D-MARK	· YSN (X 100)	:	£ STQ	, . US \$	D-MARK	YEN (X 100)		e sto	US \$	D-MARK	YEN (X 108)
Afghenisten	(Alghani)	7017.92	4462.00	3138.11	4284.96	Gibnetter (Gib S)	1	0.6330	0.4472	0.6106	Pakistan (Pak. Ruped)	54,0576(2)	34,2158	24,1722	33 0061
Albenia	وُهـ) ﴿	144,640	91.5600	64.6768	88.3133	Greece (Drachme)	369.749	238,400	164.888	225,148	Penama (Balbon)	1.5799	1	0.7065	0 9646
Algeria Andorra	(Dinar) French Fri	80.7851 7.7312	51.1330 4.8935	36.1236 3.4571	49.3252 4.7205	Greenland (Denish Krone) Greenade (E Carr S)	8.6642 4.2657	5.4840 2.7000	3.8742 1.9075	5.2901 2.6045	Pague New Guinee (Kins) Paraguey (Guerani)	2.0815 3100.58	1,3175 1952,50	0.9308 1386.44	1,2709 1893,10
record	(Sp Pesetal	192,787	122,025	85.2063	: 117,711	Guadaleupa (Local Fr)	7.7812	4.8635	3,4571	4.7205	Peru (New Sol	3.6038	2.2610	1,6114	2.2004
Angole	(Kwanza)	8992,80	5892.00	4021.19	5490.78	Guerra (USS)	1,5799	1	0.7065	0.9848	Philippines (Peso)	41.1801	26.0850	18,4140	25 1435
Antigua	(E Cerr S)	4.2657 1.5792	2,7000 0,9996	1.9075 0.7082	2.6046 0.9643	Guatemala (Cuetzal) Guinea (Fr)	9,3797 1556,52	5.9369 985.200	4.1942 698.009	5.7270 950.369	Pitcalm is (E Sterling) (NZ S)	1 24145	0.6330 1.5291	0.4472 1 0796	0.6106
Argentina Armenia	(Pesc) (Orami	631.9610	400.000	282,586	385,858	Guines-Bassu (Fese)	28495.1	18038.0	12741.8	17398.4	Poland (Zloty)	3.8826	2.4575	1.7361	1 4741 2 3706
Aruba	(Florin)	2.8280	1.7900	1.2646	1.7267	Guyanese S)	225,768	142,900	100.954	137.848	Portugal (Escudo)	234,789	148,610	104 988	143,356
Australis	(Aus S	2.0850	1.3195	0.9323	1,2730		~~~	40.0544	-0.40-0		Puerto Rico (USS)	1.5799	1	0.7065	0.9646
Austria Azerbaljan	(Schilling) (Manel)	15.7358 6943.57o	9.9600 4395.00	7.0364 3104.91	9.6079 4239.52	Held (Goude) Honduras (Lempira)	30.0161 15.3883	19.0000 9.7400	13.4228 8.8810	18.3263 9.3957	Castar (Rivat)	5.7524	3.6410	2.5722	3.5123
Azores	(Port Escueba)	234,789	148,610	104,988	143,356	Hong Kong (HK S)	12.2166	7.7325	5.4827	7.4591	Catar (Föyat) Reunion is. de is. (F/Fr)	7.7312	4.8935	3.4571	4,7205
	-					Hungary (Forint)	208.965	132,265	93,4405	127.589	Pomenia (Lau)	3610.07	2285.00	1614,27	2204.22
Balternas	(Behama Si	1.5799		0.7066	0.9648	lesiand (fealandic Krons)	102,520	. 64.8900	45.8425	62,5959	Puede ∓ (Rouble) (Rouble)	1.0098 ₀ 7153.00m	0.6390	0.4514	0.6161
Bahran	Dineri	0.5957	0.3770	0.2963	0.3637	India (Indian Rupee)	54,7436	34,8500	24.4790	33,4250	Preands (Fd)	480.796	4527.50 304.320	3198.52 214,991	4387 43 293,561
Baleanc is	(Sp Perets)	192,787	122,025	88.2083	117.711	Indonesis (Ruciati)	3605.33	2282.00	1612.15	2201.32		_		21-030	
Bangladesh	(Teles)	63.5700	40.3000	28.4705	38.8752	iran (Flat)	4739.70u 0.9480	3000,00	2119.39	2993.94	St Christopher (E Corr S)	4.2657	2.7000	1.9075	2.6046
Berbados Belarus	(Barb S) (Rouble)	3.1777 18168.9c	2.0113 11500.0	1.4209 8124.34	1.9402 11093.4	traq (trac) Diner) trish Rep (Punt)	0.9790	0.6000 0.6190	0.4239 0.4373	0.57 98 0.6971	St Helenz (D) St Lucks (E Cent S)	4.2657	0.5330	0.4472 1 9075	0 6106
Belglum	(Beig Fr)	45.9909	29.1100	20.5652	28,0606	istransi (Shekat)	4.7753	3.0225	2.1353	29155	St. Please (Franch Fr)	7.7312	2.7000 4.8935	3.4571	2,6046 4 7205
Belize	(B S)	3.1598	2.0000	1,4129	1.9293	kzły (Lira)	2517.49	1593.45	1125.72	1537.11	St Vincent (E Cerr S)	4.2057	2,7000	1.9075	26048
Bermuda Bermuda	(CFA Fr) (Bentuden S)	773.120 1.5799	489.350	346.709 0.7065	472,049 0.9546	Jamaica (Jernaican S)	56,7975	35,9500	25.3974	34,6790	Sen Meetno (Raison Lira)	2517.49	1593.45	1125.72	1537.11
Bhutan	(Magna)	54.7436	34,6500	24.4790	33,4250	Japan (Yen)	163,790	103,885	73.2356	100	Sec Torne (Dobre) Seudi Arabia (Flyat)	2786.30 5.9256	1763.59 3.7506	1245.91 2.6498	1701.24
Boliva	(Ngultum) (Baliviand)	7.7100	4,8800	3.4475	4.7075	Jordan (Jordanian Diner)	1.1202	0.7000	0.5000	0.6638	Stragal (CFA Fr)	773.120	489.350	345,708	3 8179 472,049
Botswene	(Pula) (Feat)	4.4919	2.8051 0.9820	1.9817	2.7058 0.9280	V-11	400 740				Saychelles (Rupee)	7.6487	4.8400	3.4193	4.6889
Brazil Brunel	(Brunei S)	1,5199 2,2382	1.4135	0.6796 0.9996	1.3635	Kazakhatan (Tenga) Kanya (Kenya Shilling)	100,718 87,7635	63.7500 55.2500	45.0371 39.2441	61,4962 53,5861	Sterra Leone (Leone) Stroscore (S)	1390.31 2.2332	880.000	621.689	6-48.888
Bulgarla	(Levi	108,579	69.7250	48.5518	65,2953	Kiribeid (Australian S)	2,0850	1.3195	0.9323	1.2730	Singapore (S) Sioveide (Konunsi)	46,7382	1 4135 29.6830	0.9986 20.8983	1.3835 26.5371
Buridno Faso	(CFA Fr)	773,120	489.350	345.706	472,049	Karsa North (Wort)	3.3968	21500	1.5189	2.0740	Stovenia (Toky)	189.932	120,218	84.9294	115.967
Burms Suruncii	(Kyat) (Burundi Fri	8.9372 416.904	5.6566 263.880	3.9963 186.422	\$.4588 254,551	Korwa South (Won) Kuwat (Kuwati Dinari	1219.13 0.4748	771,650 0.3005	545.143 0.2129	744.369 0.2869	Solomon is (S)	5.4201	3.4306	2.4238	3.3093
0200	(DOIGHGE FT)	-		100.422	التهجوع	James Principle Child		0.30.5	0.2123	U-2009	Somali Rep (Shilling) South Abics (Rend)	4139.34 6.750e	2620.00 3.6463	1850.94	2527.37
Cambodia	(FRe)	3635.77	2300.00	1824.87	2218.69	Lacs (New Kip)	1453.51	920,000	849.947	887,474	Spain (Peacta)	192,787	122,025	2.5780 86.2063	3.5174 117.711
Cameroon Canada	(CFA Fr) (Carradian S)	773.120 2.1250	489.350 1.3450	345,708	472.049 1.2974	Lebengo (Lebengo)	0.8524 2533.37	0.5395 1803.50	0.3811	0.5204	Spanish Ports in N Africa				
Carery ts	Sc Pesetal	192,787	122,025	86.2063	117,711	Lesotho (Meluti	5.7508	3.8483	2,5760	1546.81 3.5174	. (Sp Peseta)	192.787	122.025	86.2083	117,711
Cp. Verde	(CV Estrucio)	131.084	82.9700	58.6158	80.0367	Liberia Simeram Si	1,5799	7	0.7065	0.9846	Sri Lanfoz (Rupee)	83,4978	E2.8500	37.3366	60.9815
Caryman in Cant. Air. Rep	CIS	1.3085 773.120	0.8282 489.350	0.5651 345.708	0.7989 472.049	Libys (Libyson Dinar) Liechtenstein (Swiss Pr)	0.5517 1.7980	0.3555	0.2612	0.5429	Sudan Reo (Diner)	118.483	75.0000	52,9848	72.3484
Chad	(CFA Fr)	773.120	489,350	345.708	472.048	Liechtenstein (Swiss Fr) Litrusmie (Lises)	6.3196	1.1380 4.0000	0.8040 2.8258	1.0978 3.6586	Sustain (Guider) Swaziland (Lilangeni)	725.175 5.7806	459,000	324.267	442.772
Chille	(Chillean Pesc)	659,687	417.560	294,984	402,788	Linembourg (List Fr)	45.9909	29.1100	20.5852	28.0908	Sweden (Krone)	10.5050	3.6463 5.5495	2.5760 4.6975	3.5174 8.4144
China Colombia	(Yusn) (Col Peso)	13.1364 1577.99	8.3147 998.790	5.8740 705.800	8.0207 983.479	Macao (Patace)	12.6190	7.9872	5.6427	7.7048	Switzerland 5-ri	1.7980	1,1380	0.8040	1.0978
Comaras	(Fe)	582,683	368.81O	260.551	355,771	Macadonia Denar	62,0908	39.3004	27.7643	37.0110	Byrta - (Ω) Tahwan Ba	66.1979 43.0263	41,9000	29.6009	40.4167
Congo	ICFA Fo	773.120	489.350	345.708	472.049	Marianasar 849 Gr	7030.56	4490.00	3148.77	4292.67	Tastomia (Shilling)	949.521	27.2335 601.000	19.2385 424.585	26.2707 579.752
Costa Pica Côte d'Ivoire	(Colon) ICFA FA	297.B27 773.120	188-510 489-350	133,176 345,708	181.845 472.049	Madeira (Port Escudo) Maleira (Karacha)	234,789 24,2002	148,610 15,3175	104.986	143.356	The Band (Baho)	39.8946	25,2450	17.8347	24,3525
Crostic	Kunsi	8.3354	5.2758	3,7272	5.0894	Malevela (Karacha) Malevela (Flagori)	4.0224	25480	10.8213 1.7987	14,7760 2,4580	Togo Rep (CFA Fr) Tonga is (Pa'anga)	773.120 2.0850	489,350	346.708	472,049
Cuba	(Cuban Peso)	1,5799	1	0.7085	0.9647	Malayala (Flaggil) Malake is (Fullys) Mal Rep (CFA Fr)	18,5955	11.7700	8.3151	11.3539	Trinidad/Tobego (5)	9.0173	1.3198 5.7075	0.9323 4 0322	1.2730
Cyprus Czech Rep.	(Cyprus 1)	0.7146 41.4874	0.4523 26.2595	0.3195 18.5514	0.4363 25.3311	Mail Rep (CFA Fr) Maits (Maitosa Limi)	773.120 0.5531	489.350 0.3501	345.708 0.2478	472,049	Tunisla (Diner)	1.4804	0.8370	0.6620	5.5057 0.9039
	(Danish Krone)	8 8542	5.4840	3.8742	5.2901	Martinique (Local Fr)	7.7312	4.8835	3.4571	0.3377 4.7205	Turkey (Line) Turke & Calcos (US &	81654.6	51810.0	36801.9	49979.3
Djibouti Rep	(Olio Fr) (E Clamb S	278.483	175.000	123.631	168,818	Mauritania (Cocume)	209.555	132,845	93.7089	127.955	Turks & Calcos (US \$) Turalu (Australian 5)	1,579g 2,096g	1,3196	0.7065 0.9323	0.9846
Dominica Commican Re	e Caupa ECaupa	4.2657 21.6621	2.7000 13.7300	1,9075 9,6996	2,8048 13,2448	Mauritius (Maur Rupee) Mexico (Mexican Pesc)	26.3906 11.7150	17,9700 7,4150	12.6952 5.2584	17.3347	•	_			1.2730
Sounder	(grada)	4317-050	2732.50	1930.41	2635.89	Milguelon (Local Fr)	7.7312	4.8835	3.4571	7.1528 4.7205	Uganda (New Shilling) Ukraine (Karboveneta)	1524.14	1028.00	726.245	291,656
	(Sucre)	4161.212	2648.50 3.3990	1869.66	2552.93	Moldova (Lau)	7.1848	4,6350	3.2038	4.3747	UAE (Dirhami	280590.4 5.8028	177900.0 3,5728	125468.0 2.5947	171321.1 3.5430
Egypt 8 Salvador	(Egyptien 1) (Colori	5.3701 13.8300	8.7 80 0	2,4013 6,1885	3.2786 8.4503	Monaco (French Fr) Mongolis (Tugrik)	7.7312 727.038	4.8935 461,187	3.4571 825.101	4.7205 443.911	United Kingdom (5)	1	0.6330	0.4472	2.8708
Equat 1 Guines	(CFAFr)	773.120	489,360	. 345.708	472-049	Montgerrat (E Carr \$)	4.2657	2,7000	1.9075	443.911 2.6046	United States (US 5) Uniquely (Paso Uniquelyo)	1.6798	1	0.7085	0.9646
Estonia	(Kroon)	17.9886	11,3960	8.0438	10.9835	Morocco (Cirtera)	13.3091	8.4240 9974.00	5.9513	6.1282	and the confession	10,7275	6.7900	4.7969	6,5500
Pthiopia.	(Ethiopian Birri)	8.1634	6.8000	4,0975	5.5650	(Bacteria) expodentsolid	15757,9	9974,00	7045.27	9621.38	Yarustu (Vatu)	177.581	112,400	79,4066	109,426
Falkland is	(Falk 9) (Danish Krona)	1	0.6330	0,4472	0.8108	Nemable (S.A.Rand)	5.7608	3.6463	2,5760	3.5174	Vetican (Lira) Venezuele (Bolyan)	2517.49 268.243	1693.45	1126.72	1537.11
Farce is	(Danish Kronej	8.6642	5,4840	3.8742	5.2901	Nauru is (Australian S)	2.0850	1.3196	0.9323	1.2730	Vistrary (Danci	17388.4	169,785 11006.0	119.947 7775 24	163.782
Fig. is. Finished	(Fig S) (Abrida)	2,2410 6,7352	1.4185 4.2631	1.0021 3.0117	1.3663 4.1124	Nepal (Nepalese Rupea) Netherlands (Guider)	81.7599 2.5053	51.7600 1.5857	38.5595 1.1202	49.9204 1,6298	Virgin is-Brisish (US 19	1.5790	1	7775,34 0.7085	10916.9 0.9646
France	Œ	7.7312	4.8935	3,4571	4,7205	N'nd Andres (A/Guilder)	2.8290	1.5857 1.7900	1,2545	1.7267	Wights-US (USS)	1.5799	1	0.7065	0.9646
Fr. Ctyl/Atrica	(CFA Fr)	773.120	489.350 4.8935	345.708	472.049	New Zeeland (NZ S)	24145	1.5251	1.0796	1.4741	Western Sernos (Take	3,9458	2.4981	1 7642	
Fr. Guizne Fr. Pacific la	(Local Fr) (CFP Fr)	7.7312 141.257	4,9605 89,4080	3,4571 63,1543	4.7205 86.2480	Micarague: (Gold Cordobe) Niger Rep (CFA Fr)	12.3021 773.120	7.7885 499.260	5.5010 345.708	7.5113 472.049	Yemen (Pac of Stori	78.9951a	50,0000	1.7648 35,3232	2.4098 48.2323
Gabon	ICFA FA	773.120	489.350	345,708	472,049	Niger Rep (CFA Fr) Nigeria (Neire)	34.7578o	22,0000	16,5422	21,2222	Yemen (Rep of) (Red Yugoslavia (New Dinar) (1)	221.166	140.000	95.9050	135.050
Gamble	(Peter) (D-Marid	15.2481	9.8500 1.4155	6.8174	9.3088	(Neda)	136.862m	85.5000	81.1091	83,4419	Zeira Rao (Zeivet	8450.58	5348.80	3778.74	-
Germany Ghane	(D-Mark)	2.2354 2148.67	1,4160	360.791	1.3655 1311.92	Norway (Nor, Krone) Omen Riel Omeni	9,8861 0,8584	8.2480 0.3851	4.4126 0.2721	8.0252 0.3715	Zembio governal	1487.83	941,725	3778.74 685.295	5159,70 908,431
	(u-2007	warai	warib	Zimbabwa pi	14,6003	9.2413	6.5286	8.9145

Islande Banking on Tuesday, November 28

To advertise in the survey please contact **Antony Carbonari**

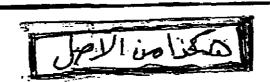
in London Tel: 0171 873 3795 Fax: 0171 873 3595 FT Surveys

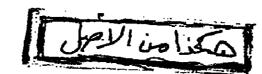
CONTRACTS & TENDERS



INTERNATIONAL COMPETITIVE BIDDING CHANGES OF BIDDING NOTICE Nº 874,81,0032/95 SCOPE: Purchase of explosion protected plastic enclosure if panel boards and measuring and testing apparatus for ele system, for the construction of the Hydrotreatment Process is Presidente Bernardes Refinery, in Cubatão, S.P.

CHANGE IN THE DEADLINE FOR SUBMISSION OF BIDS PETROBRAS informs that the deadline for submission of bids in been postponed to December 12, 1995 and that the address, time procedures established in the Bidding Notices will remain unalter





NEW YORK

and-up

 $\blacksquare \ \mathcal{M}^{\mathrm{oloco}}$

 \blacksquare Pere

Data is key to consolidation of advances

Twice this year - once in September and once in October – the Dow Jones Industrial Average has crept above the 4,800-point level only to fall back into the realm of the 4,700s the next

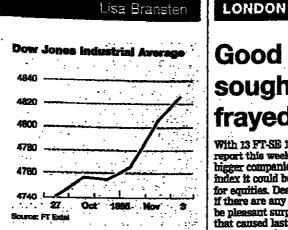
day. On Friday, however, the Dow managed to hold on to Thursday's gains and close at 4,825,57.

The question for this week is whether or not the market has enough momentum to hang on for a third day, and the answer to that question may well lie in the data.

that the Federal Reserve will lower interest rates at next week's meeting of its Open Market Committee, but the data due out this week should provoke more speculation about monetary policy through to the end of the

For the most part economists are expecting figures that should support

OTHER MARKETS



the view that the economy is slowing. The producer price index, set to be released on Thursday, is expected to remain unchanged from September's 0.3

Also important will be Tuesday's data on third quarter non-farm productivity, especially given the Commerce department's estimate that the economy grew 4.2 per cent in the third quarter. Economists from Salomon Brothers believe that productivity advanced 2.9 per cent, slowing modestly from the second quarter's 4.8 per cent

Good news sought to calm frayed nerves

With 13 FT-SE 100 constituents due to report this week plus many more of the bigger companies in the FT-SE Mid 250 index it could be another volatile week for equities. Dealers will be hoping that if there are any more shocks, they will be pleasant surprises rather than those that caused last week's market tremors.

The scope for bad news looks to be mostly in the general and food retailing areas of the market, the same sectors that caused such maybem on Wednesday and Thursday last week. First, J. Sainsbury, then Kwik Save confirmed what food retailing analysis

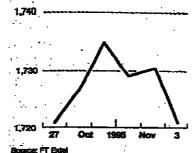
had long feared, the outbreak of mother damaging price war among the big supermarkets. Boots, the high street retailer, did nothing to calm frayed nerves, pointing to the damage caused to sales by the warm weather.
All of which must be causing

discomfort to Marks and Spencer, the

UK's biggest retailer which reports

FT-SE-A All-Share index

EQUITY MARKETS: This Week



Steve Thompson

interims on Tuesday. Some comfort for investors will come with an expected 13 per cent increase in the dividend. Shell Transport's caution last week on prospects for oil prices hit sentiment

in the sector, impacting on BP, whose third-quarter report is on Tuesday. Meanwhile, the FT-SE 100 remains entrenched in the 3,450 to 3,600 range. It needs more than bid rumours to drive it through the upper level. The DTT's move in flagging through the North West Water bid for Norweb may be the catalyst for another burst of activity in the utilities.

Success of Eni issue could depend on Opec meeting

The second secon

Institutional investors are been reserved for the domestic showing strong interest in the billion-dollar privatisation of Eni. the Italian oil and gas company, but developments in the oil industry could prevent that interest from turning into equally healthy orders.

International offerings

Bankers are concerned that investors, especially those in the US who have been allocated the largest slice of the institutional tranche, might sit on their hands until they know the outcome of the forthcoming meeting of the Organisation of Petroleum Exporting Countries.

The Opec meeting is scheduled for November 21, just days after Eni shares are priced and the same day that the domestic retail offering starts. Analysts are attaching much more importance to this meeting than to others held in the recent past because this time Opec members are to reopen the sensitive issue of pro-

duction ceilings and quotas. The fear for investors is that oil prices, already low, would come under further downward pressure if Opec decides to raise the production ceiling to win back market share from non-Opec oil producers.

Because the outcome of the Opec meeting is difficult to predict, investors might decide to limit the size of their subscription to the Eni offering. since because of its sheer size. they could easily pick up more stock in the after-market once the result is known.

The Italian government, which has set a price range of L5,250 to L6,000 a share, is offering to sell 1.35bn to 1.95bn shares, or 16.9 per cent to 24.4 per cent of Eni's share capital. If it achieves the top price, it will raise L11,400bn (\$7.1bn).

Of the total shares on offer,

the institutional tranche has been fixed at 950m shares, with 200m to 340m earmarked for US investors. The secondbiggest tranche is for Italian institutions with 185m to 285m shares, followed by the UK with 170m to 240m, continental Europe with 100m to 170m and the rest of the world with 55m to 115m shares.

pating in the privatisation are unlikely to base their decision on the Opec meeting. But if the meeting has a negative impact on the institutional tranche, it could have a knock-on effect on the domestic offering. Although the Eni privatisa-

retail offer. Domestic retail

investors thinking of partici-

tion comes hard on the heels of the Mediohanca/Ferruzzi Finanzioria affair, which has put the inadequate protection for small shareholders back in the media spotlight, the government is thought to be optimis-tic about the likely response to the retail offering and about Eni's share price performance

over the next year. It is believed that the government has not taken measures to bedge itself in the event that it has to compensate retail investors for a fall of up to 10 per cent in Eni's share price in the first year of trading.

Bankers believe the success of the Eni transaction will depend on the government's decision on pricing. Although a price closer to the bottom of the range might be seen as a "failure" in the short term, generosity on the government's part now could yield long-term benefits for its priva-

tisation programme. It is possible that Enel, the electricity company, could come by the spring of next year, and another tranche of Stet the telecoms company, is scheduled to be sold by the end of 1996. With such a heavy calendar of issuance, the government needs a strong stock market performance by Eni to win the affections of the international investment community.

The progress of other equity offerings in the market shows investors are selective about what they decide to buy. Flotations, especially of turnround situations such as Gucci or Adidas, are eagerly snapped

By contrast, secondary or "follow-on" offerings are becoming increasingly difficult to place. This is hardly surprising given the near 10 per cent under-performance by Telefon-The remainder - between ica, the Spanish telecoms com-

a further tranche of state-

The Dutch government's decision not to offer a discount on its recent sale of more shares in KPN, its telecoms company, has been seen as a further dampener on secondary offerings.

Since fund managers dislike blotting their copybook at the best of times, let alone towards the end of a rather good year. the priority they give to offerings which are set to make instant gains is understand

However, their indifference. or in some cases aversion, to secondary offerings is a worry for bankers and governments with privatisation pro-

The selective behaviour of investors is believed to be causing problems for the cing by Commerzbank, Germany's third-biggest bank. The sale is thought to be struggling view that there is little unside in German banking shares.

Although Commercbank would want to place its new shares as close to the market price as possible, some bankers say it will have to offer the maximum discount of 5 per

cent to get the shares away. Among other deals in the market, bookbuilding for the privatisation of Mol, the Hungarian oil and gas company, starts today as does the Euro-pean roadshow for PT Telkom, the Indonesian telecoms company. The complex structure of the banking syndicate for PT Telkom has prompted one banker to describe the offering as "the logistical and organisational challenge of the first magnitude".

Bankers expect the French government to make a decision early this week on the planned privatisation of Pechiney, the aluminium and packaging group. If the government wants the privatisation to go ahead this year, pre-marketing needs to begin soon in order to have sufficient time to hold a domestic public offering before the Christmas holidays.

Antonia Sharpe

Few on Wall Street still hold out hope

FRANKFURT

After a week marked first by high enthusiasm for Hoechst, and then disappointment in the progress of the Dutch leaders, DSM and Akzo Nobel Germany's "Big Three" chemical companies are expected to produce third-quarter reports over the next four days, writes William Cochrane. Hoechst results today could be complicated by the parent's treatment of restructuring costs resulting from the \$7.1bn acquisition of Marion Merrell Dow in the US a few months ago, by the timing and split of the depreciation of goodwill which could come to DM5bn, in total – and by profits from

Analysts expect an underlying profits gain of 25 per cent for July/September. unexciting, perhaps, after leaps of 94 and 93 per cent in the first two quarters. But the third quarter of 1994 had already seen an immense recovery, with pre-tax profits up from DM146m to DM605m.

Mr Andreas Schmidt, chemicals analyst at BZW in Frankfurt, expects Bayer, on Tuesday, to produce thirdquarter figures 23 per cent higher at DM776m from a 4.4

per cent rise in sales; and BASF, on Thursday, to be up 63 per cent, and 5.3 per cent respectively. A crowded week should also host preliminary figures from Siemens on Wednesday, and third quarters from Viag and Veba on

ZURICH

Since the end of August the Swiss exchange's banks sub-index has risen by more than 13 per cent, twice as fast as the SMI index of leading shares, writes Ian Rodger. Much of the action has been

in response to lower interest rates and big fund inflows into Swiss franc instruments following the European monetary union scare. Union Bank last week provided some welcome fundamental support, indicating that its third-quarter earnings were

back on a positive trend after a

10.4 per cent fall in the first

half CS Holding and Swiss

Bank are expected to publish equally positive statements. Mr Josef Ackermann, chief executive of Credit Suisse, said two weeks ago that the bank's trading profits in the first nine months equalled those in the whole of last year. And Mr

Georges Blum, SBC chief

executive, said the strong first-half trend, when the bank's earnings were up 23 per cent, continued in the third

AMSTERDAM The interim results season

continues with figures from KNP BT, the paper company, on Wednesday and Hunter Douglas, the window coverings and architectural products group, on Friday, writes John Pitt. After a good first half, Hunter Douglas is expected to come in with strong ninemonth results. Expectations are that US sales have been good over the summer, after a slowdown in the second quarter, while the European picture has held up well. Analysts expect the shares to perform well in the short term, and to benefit additionally from the sale of its stake in an

STOCKHOLM

Analysts are looking for third-quarter figures from the drugs companies to provide support for the market during the week, although some fear that Ericsson's report on Thursday may contain the seeds of disappointment. UBS notes that with rate

opportunity, please contact:

expectations falling across Scandinavia, today could bring a further policy stimulus with

the unveiling of the Swedish growth package - basically a one-off budget within a budget, focused on unemployment and corporation tax. Unusually, there have been

few leaks on the package, but UBS believes that the most significant detail may be a change in the law to allow Swedish companies to buy back their own shares.

TOKYO

Investors are focused on Sony's second-quarter results this week, after the stock's plunge last week on worries about its inventory levels, writes Emiko

Although most Japanese consumer electronic companies are suffering from weak markets for their traditional products, Sony is particularly vulnerable to a downturn in the sales of video recorders. televisions and audio products, which comprise almost 60 per cent of group sales.

While analysts see the selling as overdone and expect position adjustments ahead of the company's announcements, worse-than-expected figures could once again lead to selling

The survey will include articles on the economy, foreign

If you would like to avail yourself of this unique advertising

Katalin Szokira, Publicity in Budapest

Tel: +361 156 11 82

Fax: +361 175 35 39

Patricia Surridge Tel: +44 171 873 3426

Fax: +44 171 873 3204

or your usual Financial Times representative.

FT Surveys

SINO LAND COMPANY LIMITED

US\$200,000,000 5% Convertible Bonds due 2000

NOTICE TO BONDHOLDERS

NOTICE TO BONDHOLDERS

The Directors of Sino Land Company Limited ("the Company") on 2nd October, 1986 proposed a final dividend of Hong Kong 8 cents per stars for the year ended 30th June, 1995 to shareholders whose names appear on the register of members on 29th November, 1995.
This final dividend is assigned on 21st December, 1995. The register of the Company at the Annual General Meeting to be held on 28th November, 1996 and will be despatched on 21st December, 1995. The register of members of the Company will be closed from 22nd November, 1995 to 28th November, 1996 (both days technically). Registered holders of existing Bonds who wish to exercise their conversion rights etherhold lodge the properly completed and signed conversion forms together with the bond cardificates with their Agent so as to reach the Company before 4:00p.m. (Hong Kong time) on 28th November, 1995.

By Order of the Board

6th November, 1995 By: Chibank, N.A. (leaser Services), Agent Bank

policy, banking & finance, capital markets, privatisation etc.

HONG KONG

America will continue to set the tone for Hong Kong's equity market, writes Louise Lucas. Investors will begin the week studying the US employment figures, out overnight on Friday Hong Kong time. The underlying story remains one of interest rates: analysts in the colony reckon that the US outlook is essentially non-inflationary and that a cut in interest rates could be on the horizon, both in the US and, via the currency peg, Hong Kong. However, a dearth of

domestic news has kept activity subdued, and some brokers believe the market will continue to trade within the 9.600 to 9.900 band. The benchmark Hang Seng index closed on Friday at 9,855.8. Others believe there could be sufficient momentum to re-test the 10,000 point level, especially if more liquidity flows in from overseas.

Two Hang Seng constituent companies report full-year earnings this week – China Light and Power, the electricity supplier, today and New World Development, a property company, on Wednesday.

400m and 1bn shares - have pany, since September's sale of Compiled by Michael Morgan

RECOMMENDED FINAL* CASH OFFER BY

Chase Investment Bank Limited

on behalf of

Statoil (U.K.) Limited

to acquire the entire share capital of Aran Energy plc

Chase Investment Bank Limited ("Chase") announces on behalf of Statoil (U.K.) Limited ("Statoil U.K."), a wholly-owned subsidiary of Den norske stats oljeselskap a.s ("Statoil"), that the formal offer document containing the recommended final cash offer (the "Offer") on behalf of Statoil U.K. (the "Offer Document") to acquire all of Aran Energy plc's ordinary shares of IR2Op each ("Aran Shares"), including Aran Shares represented by American Depositary Shares ("Aran ADSs"), has been posted today.

A holder of Aran Shares or Aran ADSs (an "Aran Securityholder") who accepts the Offer will receive IR76p in cash for each Aran Share and IR522.80 in cash for each Aran ADS. Based on an exchange rate of IR51 = Stg\$1.0224, the Offer represents Stg77.7p per Aran Share and Stg\$23.31 per Aran ADS. Based on an exchange rate of IR\$1 = US\$1.6165, the Offer represents US\$1.22 per Aran Share and US\$36.85 per Aran ADS. Whilst the Offer is denominated in Irish the Offer represents US\$1.25 per Aran Share and US\$36.85 per Aran ADS. Whilst the Offer is denominated in Irish the Offer IR\$1 per Aran Share and US\$36.85 per Aran ADS. Whilst the Offer is denominated in Irish IR\$1.25 per Aran Share and US\$36.85 per Aran ADS. Whilst the Offer is denominated in Irish IR\$1.25 per Aran Share and IR\$1.25 per Aran Share and IR\$1.25 per Aran ADS. Whilst the Offer is denominated in Irish IR\$1.25 per Aran Share and IR\$1.25 per Aran Share and IR\$2.25 per Ar pounds, all accepting Aran Securityholders will be entitled to receive their cash consideration in Irish pounds, pounds sterling or US dollars.

The full terms and conditions of the Offer (including details of how the Offer may be accepted) are set out in the Offer Document and in the related acceptance forms which collectively comprise the Offer This advertisement does not constitute and must not be construed as an offer to acquire Aran Shares or Aran ADSs. Holders of Aran Shares or Aran ADSs who accept the Offer must rely on the Offer Document and the related acceptance forms for all the terms and conditions of the Offer.

The Offer will be open for acceptance until 3.00 p.m. (Dublin and London time), 10.00 a.m. (New York City time) on 6 December 1995, unless extended.

The Offer extends to all persons who hold Aran Shares or Aran ADSs who may not receive the Offer Document. Such persons are informed that copies of the Offer Document and the related acceptance forms are available from the UK receiving agent, The Royal Bank of Scotland plc at Registrar's Department, PO. Box No. 859, Consort House, East Street, Bedminster, Bristol, BS99 1XZ, England, the Irish receiving agent, Price Waterhouse at Registration Department, Gardner House, Wilton Place, Dublin 2, Ireland, the US depositary, The Chase Manhattan Bank, N.A., at Box 3032, 4 MetroTech Center, Brooklyn, NY 11245, USA and the US information agent, Georgeson & Company Inc., at Wall Street Plaza, New York, NY 10005, USA.

The Offer is not being made, directly or indirectly, in or into Australia, Canada or Japan, or by use of the mails or by any means or instrumentality or interstate or foreign commerce of, or of any facilities of a national securities exchange of, Australia, Canada or Japan. This includes, but is not limited to, the post, facsimile transmission, telex and telephone. The Offer cannot be accepted by any such use, means, instrumentality or facility or from within Australia, Canada, or Japan.

This advertisement is not being published or otherwise distributed or sent into Australia, Canada or Japan. Persons reading this advertisement (including, without limitation, custodians, nominees and trustees) must not distribute or send this advertisement, the Offer Document, the acceptance and tristees) must not distribute of send rus anvertisement, the Uniter Document, the acceptance forms or any related offer documents in, into or from Australia, Canada or Japan or use such mails or any such means or instrumentality for any purpose, directly or indirectly, in connection with the Offer and doing so will render invalid any related purported acceptance of the Offer Persons wishing to accept the Offer must not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly related to acceptance of the Offer.

Chase is acting for Statoil and Statoil U.K. and no one else in connection with the Offer and will not be responsible to anyone other than Statoil and Statoil U.K. for providing the protections afforded to customers of Chase or for giving advice in relation to the Offer.

The directors of Statoil U.K. accept responsibility for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this advertisement is in accordance with the facts and does not omit anything likely to affect the import of such information.

* The Offer is final and will not be increased, except that Statoil U.K. reserves the right to revise and/or increase the Offer if a competitive situation arises and/or the Panel on Takeovers and Mergers otherwise so permits Published on behalf of Statoil (U.K.) Limited and approved for the purposes of section 57 of The Financial Services Act 1986

by Chase Investment Bank Limited, which is regulated by The Securities and Patures Authority Limited.

FUTURES PAGER ● CHRISTIAN ® ZELONGES ® BOOKES

Freephone 0500 300 456 om outside UK 0171 895 9400

THE TAX FREE WAY TO PLAY THE MARKETS'

ECONO MERCOC, Esq. Tel. +1 714 854 3344 Fax: +1 714 854 660

The FT GUIDE TO WORLD CURRENCIES, published in Mountay's The FT GILIDE TO WORLD CORRESTANTS, promises a seemy a sewspaper and covering over 200 currencies, is now available by dislining the followin number from the heypad or headset of your fire machine, 6691-637 601. Calls are charged at 3-phylosin chemp rare and 49-phylosin at all other times. For service against the UK please telephone +44 171 873 4378 for desails on Cityline Internation.

FAST 64 KBIT SATELLITE TECHNOLOGY

FOR COMPLETE REAL-TIME DATA OF THE US

AND EUROPEAN EXCHANGES FOREX, FUTURES, OPTIONS, EQUITIES, NEWS ICNEON PRANTRUT NEW YORK ATHENS 44 171-389 3377 49 694 40071 1 212 269 6760 3 01 3622596 NEW SatQuote &OPTIONS

BERKELEY FUTURES LIMITED 28 DOVER STREET, LONDON WIX SEB-TEL: 0171 629 H33 PAX: 0171 495 0022



PUR AN ESTICIENT

FUTURES AND OPTIONS TRADING Clearing and Execution Service 24 hrs Tel: +44 171 329 3030 Fax: +44 171 329 3919

DOW TO SURGE - OR CRASH:



٠, ١

s year (nee Guide to hoer year Finnschal Bookmanker eas, 1, cell Michael Mussey er han Jeokins en 1877-196 1921 er 1 uur 1G Index Pie, I Vierwick Rass, Lundon SWIE SSR.

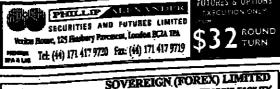
GDRs and ADRs Lauxie Pinto Tel: 0171 702 3377 Fax: 0171 680 0414

MURPACI **P**⊗Ylarket-Eye

FREEPHONE 0800 321 321 FAX 0171 398 1001 WANT TO KNOW A SECRET? The I.D.S. Gann Seminar will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gann can increase year profits and contain your losses. How? That's the secret.

Book your FREE place. Phone 9171 588 5858

TREND ANALYSIS LTD FOREX . METALS . BONDS . COMMODITIES For FREE TRIAL Phone 01962 879764



SOVEREIGN (FOREX) LIMITED 24 HOUR MARGIN TRADING FACILITY COMPETITIVE PRICES DAILY FAX SERVICE Tel: 9171 - 931 9188 Fax: 0171 - 931 7114

PROPERTY FIXANCE

WHY PAY EXPENSIVE FEES? WITH THIS BOOK YOU ARE THE EXPERT CONTACT ESTATES GAZETTE ON 0171 411 2651

CITIBANC

Pursuant to the Fiscal Agency Agreement dated 4 April 1984 and in accordance

COMPAGNIE SAINT GOBAIN

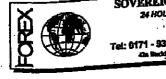
with the Description of the Titres Participatifs as set out in the Offering Circular dated 5 April 1984, notice is hereby given by the Issuer that Banque Nationale de Paris Succursale de Beigique shall cease to act as a Paying Apent in Belgium in the above issue and that Banque Bruxelles Lambert S.A., Avenue Marnix 24, B-1050 Brussels (Belgium) has been appointed as its successor Paying Agent with immediate This 6 November 1995

FREE 10 DAY TRIAL MARKET NEWS & UPDATES 24 HIS A DAY

Argus Fundamentals Inderstand what is driving oil prices

Petroleum Argus

had in 1975 OCRA has 20 offices world wide, 750 ready-mad les available. For 100 page FRFE colour brockers contact: COMPANIES How passed to the passed of the pa



SOURCEBOOK

NEW YORK

WORLD BOND MARKETS: This Week

Richard Lapper

Benchmark yield curve (%)*

8.00

7.00

3/11/95 --- Month ago ---

years

by the middle of 1997, but Mr

could be revised down to 21/2

per cent. Overall he expects

gilts to end the week higher.

Mr Andrew Roberts, gilt

Bank to take advantage of

benefit from a low growth

outlook, especially given the supply cloud has now been lifted," he said.

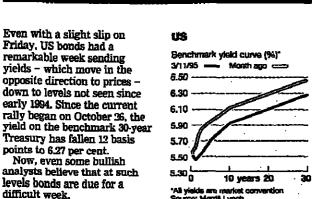
tranchettes of gilts.

market conditions by issuing

"Index-linked gilts should also

analyst with UBS, expects the

Briscoe thinks this forecast too



Lisa Bransten

Mr Garry Jones of Paribas Capital Markets says: "The market has moved a long way the government can meet its very quickly and although obligations to November 15. If some range trading and there is no increase in the debt consolidation is likely in the limit after that, the possibility coming week, the longer-term of a default becomes more of a outlook is still positive." factor and could have a

One important cloud negative impact on trading. Economists expect data this week will be the discussion in week to confirm that the Congress about whether to economy is still drifting to a raise the debt ceiling to allow soft landing. For example, figures on producer prices are the Treasury department to raise new money to finance the expected to remain unchanged obligations coming due. on the heels of September's 0.3 The Treasury estimates that per cent increase.

Gilts fell on Friday but outperformed Germany on the week, with the 10-year yield

LONDON

spread over bunds closing 7 basis points lower at 163. This week, the market will

watch industrial production figures – due Monday – and CBI distributive trade data on Friday for further signs that growth has peaked. Figures in the US and the UK have pened inflationary fears and overshadowed funding

The Bank of England's quarterly inflation report on Wednesday will also be much awaited. Mr Simon Briscoe, chief UK economist at Nikko Europe, says the Bank may revise down its inflation forecast, reducing the likelihood of interest rate rises.

The Bank expects inflation to peak at 3% per cent at the end of the first quarter of 1996. Mr Briscoe says this could be lowered to 8¼ per cent and occur earlier. In the longer term, the Bank expects inflation to fall to 2% per cent

FRANKFURT

Further evidence of Germany's faltering economy was provided on Friday when the economics ministry said industrial output fell again in September. The weaker than expected figures reinforced expectations that the Bundesbank will cut rates early next year, although not all economists are convinced. One who does expect such a

move is Mr Richard Reid at Union Bank of Switzerland. With industrial production down by 1.9 per cent in September after a 3.1 per cent drop in August – a rebound had generally been thought likely - gross domestic product growth in the third quarter would probably show a slowdown, he said. Although the ministry said the September data would probably have to be revised upwards, he added: "This is

unlikely to change the view

that the economy is slowing.

news, which could come with

this week's October

More unfavourable economic

unemployment figures, could well prompt the Bundesbank to cut interest rates by a further half a point by February, Mr Reid said. Meanwhile, the securities repurchase (repo) rate is still hovering just above 4 per cent having come down steadily since the last discount and lombard rate cut in August. Mr Adolf Rosenstock of Industrial Bank of Japan

expects the repo rate to go

below 4 per cent very soon.

10 yrs 20

Andrew Fisher

Benchmark yield curve (%)"

6.00

5.00

4.00

3/11/95 --- Month ago ---

TOKYO

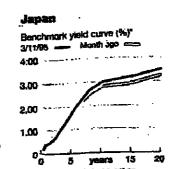
October marked the fastest expansion in Japanese money supply since December 1990, says SBC Warburg in Tokyo. This is likely to have been caused by an expansion of foreign assets through intervention on the foreign currency markets, direct ending to banks as a result of financial instability, and outright purchases of Japanese government bonds. Active foreign exchange intervention by the central bank to support the dollar against the yen increased iquidity, while the Bank

two credit unions - Cosmo Shinyo and Kizu Shinyo - and Hyogo Bank, a regional bank. The Bank also started outright purchases of JGBs. buying an average of Y700bn a month. "Private sector liquid assets are building up to levels well in excess of current transaction needs." says SBC

posted direct lending to banks

following a run on deposits of

Warburg. This is good news for

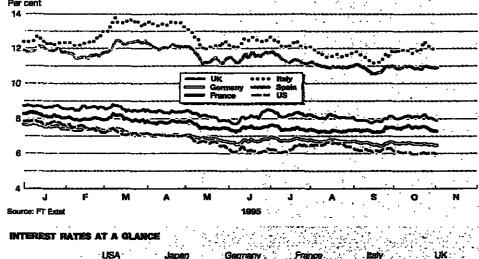


Emiko Terazono

financial markets and for the economy, and 10-year benchmark bond yields are likely to remain below 3 per

cent in the short term. However, bonds may not be attractive for longer-term investors. Long-term yields will rise gradually as the economy benefits from monetary expansion. The low returns have also prompted some domestic investors to reallocate their funds to other investments.

10-year benchmark bond yields



Discount	5.25	0.50	3.50	6.15	9.00	6.75
Overnight	5.69	0.41	3.94	(La.	10.31	6,63
Three month	5.48	0.65	3.97	6.13	10.47	8.82
One year	5,43	0.62	3.95	5.85	10.58	6.62
Five year	5.71	1.57	5.26	8.51	11.31	7.34
Ten year	5.93	2.66	6.45	7.25	F1.70	7.91
(1) France-Repo rate.	(2) UK-Base rate, 1	Source: Reuleas `				ا د مارس کار ایک درستان
				. v		W3 1
,				1 1500 a 105	e vincerno ne autori	

US TREASURY BOND FUTURES (CBT) \$100,000 82nds of 100%;Est. vol. 117-29 -0-07 118-20 117-24 3,411 -0-07 117-14 117-00

Regulation

Barings sparks tougher line in Singapore

and back as if there were a "regulatory pendulum". When the shock is as great as the collapse of Barings, and the financial market as young as is Singapore, the oscillation is all the more violent.

Simex, the derivatives exchange on which Mr Nick Leeson traded until he brought down Barings bank with £830m of losses, last week announced new regulations.

other Among requirements, senior management of a firm will senior have formally to vouch for their officers on Simex. A new large trade reporting system will allow Simex to establish the ultimate owner of all substantial positions. These Simex reforms are

relatively uncontroversial. follow recommendations of an international panel, including Mr Jack Sandner, chairman of the Chicago Mercantile

403,649

But the clampdown has already gone further. Managing directors of

All financial centres swing members of Simex must now pants in a public place. Some from relaxation to restriction sign off on paperwork such as other Singaporeans have not the opening of new accounts. Simex has banned the device of the cross trade, which was used by Mr Leeson to transfer authorities' stance has been positions between Barings abrupt. trading books and his secret

account, number 88888. the Most important. authorities have hardened in their pursuit of rule infringements, particularly where the suspects are Barings executives and Simex traders associated with Mr Leeson. The commercial affairs department, Singapore's financial police, is investigating Mr James Bax, Barings chief executive for

the UK merchant bank's The CAD is also examining cross trades between Mr Leeson and Mr Danny Argyropoulous, a trader for First Continental Trading, a

south-east Asia at the time of

Chicago-based house. Another acquaintance of Mr Leeson, Mr Teo Kok Eng. a leading "local" trader on Simex, has fallen foul of the authorities.

Simex issued a fine of S\$1.8m for rule violations to Mr Teo, who last year bailed out Mr Leeson from prison after he was arrested for dropping his other Singaporeans have not had their licences renewed when they have changed jobs. The change in the

collapse, had a light touch. Dr Richard Hu, Singapore's minister, says: finance "Initially, where such new requirements are introduced, compared with what was, the contrast is probably very, very

For futures contracts on the Nikkel 225 index of Japanese shares, margin requirements are relatively low.

Before the Barings crash,

customers had to deposit more than twice as much in initial margin, in security against default, when trading Nikkei 225 futures on the Osaka Stock Exchange.

Cross trades, which are a convenient and popular device for traders, were tolerated. It appears Mr Leeson, who brought Simex more proprietary trading turnover than any other member firm, felt untouchable. Mr Leeson enjoyed a warm relationship with Mr Ang Swee Tien, president of the exchange, and Simex actually gave an award to Barings for volume in 1994.

Even the official Singapore report into the UK merchant bank's collapse said Simex officials were too impressed by Barings' patina of reputation and slow in following up discrepancies in margin payments on the secret 88888 account.

Some Simex traders suggest Singapore is compensating. with a broad crackdown now, for its earlier lax oversight of Mr Leeson's trading activities. But there is another, more fundamental, reason for the instability of Singapore's "regulatory pendulum." The government has a dual, and sometimes contradictory. ambition for its financial

centre. Mr Lee Kuan Yew, Singapore's senior minister, said the city-state should aspire to be both the Zurich and the Chicago of Asia.

He meant it should be a "safe haven" as well as a dynamic centre for futures businesses and new financial products.

Singapore's instinct for regulation, reinforced by the Barings collapse, locates it closer to Zurich. Already its reputation as a safe haven has proved attractive to fund managers, 146 of which had set up Singapore offices by

September. Dr Hu says he is content with Singapore's reputation for "clobbering" executives who violate rules. "What rules we have, we enforce," he says.

But futures traders on Simex complain that the application of this bureaucracy to the derivatives exchange is causing some clients to put in their orders through other, less

demanding markets. Trading volume on Simex would be flat without the surge in activity as Mr Leeson built up his positions in January and February, and as they were dismantled in the aftermath of the Barings

Singapore's preoccupation with the growth of its financial sector is likely to moderate regulation. Dr Hu says the authorities will "re-look" at rules if they drive business away. "I think after a while both sides will come to an accommodation where enough requirements are met without such detailed probing.

forecasts Dr Hu. For Singapore's economic governance is, above all, pragmatic. And the defining characteristic of the pendulum is that it swings back.

Nicholas Denton

This amouncement appears as a matter of record only

Eletrobrás **₹** Centrais Elétricas Brasileiras SA

> Coordinating Manager ABN AMRO Hoare Govett

U.S. \$150,000,000 10 per cent. Notes due 1998

UBS Limited

Salomon Brothers International Limited

October 1995

¥10,000,000,000 5.2 per cent. Notes due 1998

MA NBA	RO Hoare Govett	Daiwa Europe Limited	ABN AM
Citibank International plc	Dalwa Europe Limited	Chemical Investment Bank Limited	Libe
Dresdner Bank	LTCB International Limited	LTCB International Limited	
		Yamaichi International (E	Europe) Limi
BB Securities Ltd	Bear, Steams International Limited	BB Securities Ltd	
CS First Boston	Deutsche Morgan Grenfell	Deutsche Morgan Grenfell	Kankaku
IMC Dank	I D Morean Securities Ltd		

MRO Hoare Govett eral Banking Corp.

CS First Boston u (Europe) Limited KOKUSAI Europe Limited

Merrill Lynch International Limited I.P. Morgan Securities Ltd. New Japan Securities Europe Limited

> ABN AMRO HOARE GOVETT

Nikko Europe Pic

Gilt-edged market makers

Sector confident of improved results

After racking up some £60m of Goldman Sachs declined to losses in 1994, one of the worst comment on the figures, but years in international bond market history, most UK gilt-edged market makers (Gemms) are confident that 1995 will have been kinder to

"The dramatic drop in government bond markets in 1994 and the bad performance of one or two sterling eurobond issues which hit some Gemms were exceptional features - so far this year there haven't been events like that," says Mr Simon Briscoe, chief UK economist at Nikko Europe. "It would be extraordinary if, at this stage, Gemms were showing figures as bad as last

Gemms' annual profit and loss accounts for 1994, now available at Companies House. reveal the full extent of the damage some of them suffered. Among the bigger players, only two houses, US investment banks Lehman Brothers and Salomon Brothers, managed to post pre-tax profits from their sterling bond operations: £16.6m and £5.6m respectively.

At the other end of the spectrum, US investment bank Goldman Sachs posted a pre-tax loss of £34.6m.

market observers suggested the bank might have been on the receiving end of heavy US hedge fund selling, forcing it to build up lossmaking

inventories Another big loser was BZW, the securities arm of Barclays Bank, which was particularly hit by its exposure to sterling bonds issued by Confederation Life, the Canadian insurer which collapsed in August 1994. After being the top performer in 1993 with a pre-tax profit of £28.1m, BZW posted a £19.2m loss in 1994. These figures are notoriously

difficult to compare as different Gemms include different types of sterling business in their accounts and have varying year-ends - most in December but some in November or March. Some houses include the operating costs of their gilt operations in their profit-and-loss accounts. others do not. This year has seen the inter-

national bond markets behave in a more orderly fashion. Inspired by the continuing rally in US Treasuries, most markets have slowly ground higher, although gilts have been spooked at regular Gemms' Pre-tax Profit/(Loss) Em for year to end-December Lehman Brothers

Salomon Brothers Daiwa Europe (Gitts)* Nomura Gitts* HSBC Greenwell JP Morgan . Mikko Gits* Mentil Lynch Gits CS First Boston Gills SG Warburg Securities* NatWest Gits UBS Gits BZW Gits

intervals by political

worries and funding concerns. "In 1995 we have seen steadier flows, spreads have come in and there haven't been any real problems on the eurosterling side," says Mr David Newton, head of bond trading at BZW. "There is still a lack of liquidity, but there is two-way business in all sectors. This year should be more profit-

Still, last year's losses may well have prompted some Gemms to take a more cau-tious trading approach and to cut costs. Some houses have undertaken internal restructuring of their gilt operations,

and two - Nomura and Bar-ings - pulled out altogether this year. Some say next year could bring more defections.

"Last year's losses may have prompted some Gemms to do their calculations to work out if it's really worth being a formal market maker - especially once the gilt repo market starts," says Nikko's Mr Bris-

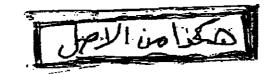
From January, any market participant will be able to take short positions in gilts - cur-rently the exclusive right of a Gemm. Another benefit for Gemms, their special dealing relationship with the Bank of England, is also being eroded by the increasing transparency of the gilt market.

"People will start weighing up the costs of being a Gemm with the benefits of that sta-

tus," says Mr Briscoe. Ironically, some say it might be the smaller, non-Anglo-Saxon Gemms that could have greater staying power. Often catering to "niche" markets, such as institutions in Japan, Germany or France, they may have lower turnover than some of the bigger US or UK houses. but can often earn greater profit margins on those trades

Conner Middelmann

	NEW INTERNATIONAL BOND ISSUES														
					~	EW IR	EKNATIO	MAL BOND	1551	JES 					
Borrawer	Amousi II.	Maturity	Coupon	Price	Yeld %	launch spread by	Stock namer	Believe	Amount 12.	Materity	Compon	Price	Yield	Launch spread bp	Book russer
US DOLLARS Pskig Comusió		Al 1000		100.00											
Termessee Valley Authoritor		Nov.1999 Nov.2000		100.00 98.939R	6 B14	-2053.GL0	Nomera International D Lehenre Brothers Intl.	GUILUERS							
Teamesses Valley Authority)	OC 000	Hor. 2025	6.75#) Leteran Brothers Intl.	Marich Metherlands (1)	300	Nov.2002	2 4.375	100.00			ABNI ARRO Hoare Gett.
Federal Housing Fin. Board				99.976R	-		Atomata International	Aegon(t)	250	undated		180.00R	7.750	-817)-X-23	ASM ARITO HOSTE GAZ.
Boldean Sachs Group(n); Société Générale	200 100			100,00R 99,13R	5.669	.67 548	Ooklaman Sachs Intl.								Lents varies 18604 GAT
Banco Safrafri	100		9.73	96,725R		+5(T- 369) -302935-42-0	RailWest Capital Miss. 7) Lohann Brailers Inti.	ITALIAH LIFE							
Federal NatiLitige Associal	500	Nov.2000	6.30	100.00R	6.300	+60.8(5%-00	Galtárnan Sachs Intl.	Commercianidas	75bn	Oct.1998	10.25	100,252	10.12		BCV ME Lun/ San Pack
Credit National	200			93.245R	7.108	+1 00(6³2%- 0	S) CSFBV Morgan Stanley	Council of Europe	150bm	Jun. 1997	2800	87.25	9,428		CLENÇO (CRIENO TOM HAN THEN 2011 LANGE
Crédit Nationalys: US West Communications	150 250			99.79R 99.80R	0177	.275E3.06.00	CSFS/ Margen Stanley Margen Stanley toll.								
	200	law-free		au.041	arit.	Andrew Professor	i with sense or	Alstralian dollars							
D-MARKS								Toyota Reance Australia	190	Dec.1998	8,00	101,165	7.92		82W
Bayerische Hypobank®	1,500	Max 2001	5.75	100.54	5,641	-	Beyer Inno/Helsha/UBS	1							
City of Manketi	490			101,70	8.390	-	Bayerische Vereinsbank	CZECH KORUNA							
Commerchank O'seas Fin. & Sadorest, LB Capital Micts O	500 350	Dec.1999 Dec.1999		101.05 99.868	5.302	.077 00	Commerchank	International Finance Corp	L îbn	Hov.1996	10.50	101.24	10.00		Communications
Hellenic Renabilist	700			99.85	3.32	+8/7%-99	SCNY (Destschland) Cilibrate/ West R	•						•	
Deutsche Bau und Bodestik	‡ 200 ‡ 200			99.80			ABN Ann Fankirt	Final terms, son-catable manager, 90omestible, ±	والمستوال	M. Yeld	spread ja	VOC rotena	ii oowa	arawi boodi s	lanch supplied to the
			•••					R Bold of offer reins of	Denver 1	30 000 .a	reside C	T WALK		ATHER PROFILE	dent bac nagoto laborate
YEN								91-10V/STr Callable from	21/2100	عج وعمارية	1665 - L	price. 11	W/. IX	. 102.607 <i>1</i> 5. (FORM PROP YEARS I FX
Mitsatokstal Corp Firs., Ate)		Nov.1998		100,225	-	•	Morgan Stanley Int.	at 1027/%. Catable on 3 max 20% election each o	1/3/99 at 1	O'S and	30/9/99	10012	Politica	C campe (gec	00 18/11/96 & 17/11/97
Missibish Corp Fig., 8(f)	30bm			100,225	•	•	ingen Stanley inc.	Mov. BB S Callable in Feb	105 4 5		- a.u.u	w. 00 380	- t- 14	# 2 db# 200	usat of Castobele in Max &
Mitsebishi Corp Fig., Cir LW Reutenbanick	505a 105a			101.80 100.00	-		Morgan Stanley Intl. Salowoo Bookses, kali.	5.30% in DM or 6% in plantificate, to convention	USS, in	eira chok	a, Emi	compon in	DM a	Over Inferne	CHOICE IN 5-80% to AS
Beltracous+		New 2015		100.50	:	-	Deiver Entire	subject to 190% burnle	at nor h i	Gos 1cl o	dade lates	Constitution		Mind or or in 19	or common town existing
Somestalentache LE+	106			100.30			Yanaidi ini. Gunori	ther 150m of Callebia			ANGUEL H	rusque.		TAKEN PER OF	9 023/5 3027 Light , et 3-rest
Belgacom *	1000	Nov.2015	(4)	100,50	-	-	Serve international	thereafter, pt 5.50% in Ap 6.50% in USC beauty and	-5. 5.357	in Dial or	6.50% I	USS, be	Jers opt	on. or 5.30%	IN DML 5.70% In Aust of
CHECK COMMO								97 at 99 79% and on 107	1100 = 9		Charles Sale	- 1497 i		I THE U CAME	ne 2000 pulityble on 18/11.
SWISS FRANCS								CONCRETE ON CHARGOS OF	lyments. C		and make	dinas de	DE 19 0	e de de la	on the matter payments of 1/97 at the of Callando
Ascal Corp.(b) + 5		Nar 2000		100,00		-	Delaye Secs. Sk. (Switz.)	DA COMPOS CITIES SOM HE 16500. 2) Page 6-min Lit						and +1250p t	harvafler. w) 3-onth Liber



State of the state

ingapore

3

े खर (0) (5)

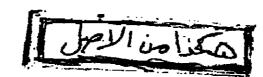
Nachted 25 Henton

ed results

Consider Middle

Control of the second of the s

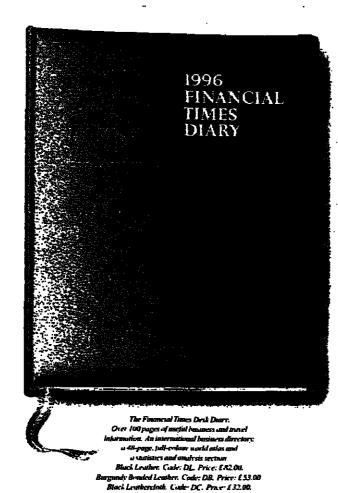
1 P 2 P



n de la composition de la la composition de la composition della

FINANCIAL TIMES DIARIES AND ACCESSORIES. NOW YOU'RE REALLY READY FOR BUSINESS.

1996 FINANCIAL TIMES DIARY

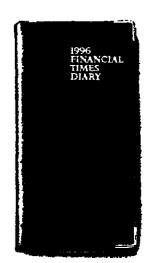


The Financial Times European Desk Duay,
Others 240 pages of information with key sections
in English, French, German Italian
and Symmid Duary section rules from
Not ember 23, 1995 to January 22, 1997

1996 HIMANCIAL TIMES DIARY

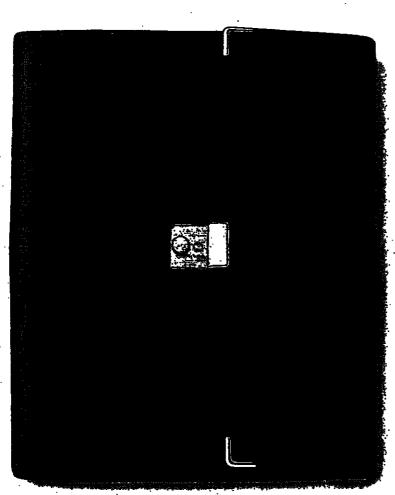
The Financial Times Bucket During Communicates Affricance of the Indian Section of the Property of Affricance of the Indian Section of the Indian Section

Every as ressure in the FT collection is made from the finest quality black leader and lined with distinctive FT-pail more, will Refille of a separk of any size featured in these products are as adultic



. .. and the second

The Finan, all Times Peak Peaket Faurs Prant deaths to be I T park paper with 34 pages of humber and hard mornatum Lands up, well-morna duar rays from the ember 18 1995 to James S. 1997 Black Bonded Leather Code, PP Pray 4 15 th



The Financial Times Conference Falder.
Crafted from a single piece of leather with a includite class, a contains a ring hander, and I pad, a smaller joiler pad, as well as place for pens, papers and business cank.
Black Leather. Code: CFL. Prace (77.00)



and uncl-to-turn forthat

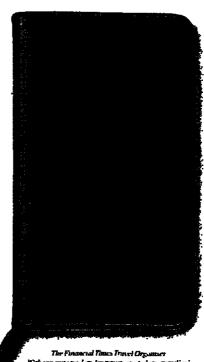
Black Leather Code, EDL. Price, £50.00

Blue Leather, Crake EDBL Price E50 III. Blue's Leatherstoth Code: EDC. Price: £39 00

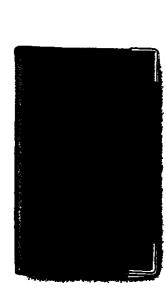
The Financial Times Business Curd Cose. A discreety slam wallet with room for up to thart; asuess curds, as well as essen probets for credit cards, Block Leather. Code. BCC. Price £ 16.00.



The Financial Times International Wallet.
Step into a pocket, has spaces for four credit cards, an identity card or travel card, a driving livence, notes and receipts. Room for banknotes and loves change, too, Black Leather Code, W. Price, E. 27 00.



The Financial Tanci Travel Organiser
With separate packets for passports, techets, marcher's
cheques bushous and credit carb, as nell es a
calculator current, converter, this is the ideal accessory
for the international traveller
Black Leather Code TOL Price £ 100.00



The Financial Times Picket Toured Organises Orderh, proceed and in both desegrad to house all excepted travel darsons are Black Leither, Code 1970 1970 v 2,45 00

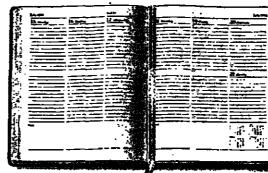
Order three stems or none and receive a Master 1900 Roller hall Pen, draigned and made in Itah, or a day reet FT Leather Credit Cord Case or the Financial Traces for two weeks free.



•

By reading the Financial Times you are already one step ahead of the competition. Keep it that way by being up-to-date and organised with the help of a Financial Times diary or accessory. We offer a complete range of deskrop and pocket models, including our popular Financial Times Desk Diary shown above. Whichever diary or accessory best suits your needs and tastes, they all present essential information with the same quality you've come to expect from the Financial Times.

To order your FT Diary or accessory, samply return the completed form. Or for more information, call us on. +44 171 873 39 16.



The Financial Times first, Dian, like every FT dian, is a valuable manic of supermation and an vary-in-tice dians For orders of ten items or more, please call and ask for our special discount rates. You can also order by calling our Credit Card Het Line:

+44 1209 61 28 20 or by faxing the form to: +44 1209 61 28 30.

When calling to order your roughly the form to the fact that anneatable harmonic and black healther one or are still with final the fact that the

Financial Times diary or accessory, be sure to inquire about our special corporate rates and



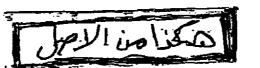
FIT.

	•				
VANT TO STAY UP-T	O-DATE AND	ORGANISED WITH A	FINANCIAL '	TIMES DIARY O	R ACCESSORY?

TH ORDER MINELY CONFLETE THE FORM, INDICATING CHE COSE AND PRICE OF SEE LIEWING UP NOT B CROSS I	licm Cenic Perce Querann Subsocial
DELIVERY ADDRESS	***************************************
AIME	
(BNF)\\	Tival =======
· · · · · · · · · · · · · · · · · · ·	APRIN INDIE 1714- OR WORL (48 GICELLE 4 PRES LIFT PLEASE ILLE THE SOA OF SOLE CROILE.
POST 14 POST , 10%1	WASHED BOOK BOLLEGROUND BY A LINE OF THE THE THE THE STREET OF THE THEORY OF THE THE THEORY OF THE T
	CHEST CASE ACTES TOSSICASEMENTERANS AND HAVE TAPATAN STATES THE A
(p1.578)	AND THE PARTY OF T
TIEFFHON	
PRODUCTED THE ATT OF SECTION CO. PRODUCTE.	We guarantee that all orders received betwee November 23, 1995 will be disputched at time for Christian

We guarantee that all orders received before Somewher 23, 1993 will be disputched as time for Christian.
If, for an ecosist was not one not completely satisfied with joins under no will refund your money in full
Please return this form to The Financial Times Lamited. Cusmer Service Department. P.O. Bus 6 Cambarne, Cornwall TR14 9EQ, United Kingdom
Or simply for this. + 44 1209 61 28 30

Activity of the second state of the second sta	A TO THE STATE OF
APPICAL 1985	



7.00 7.00 4.02 4.03 6.25 10.77 10.77 3.70

Open int.

358,075 409,091 267,336

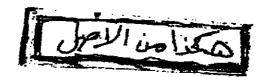
9,068 6,248 392

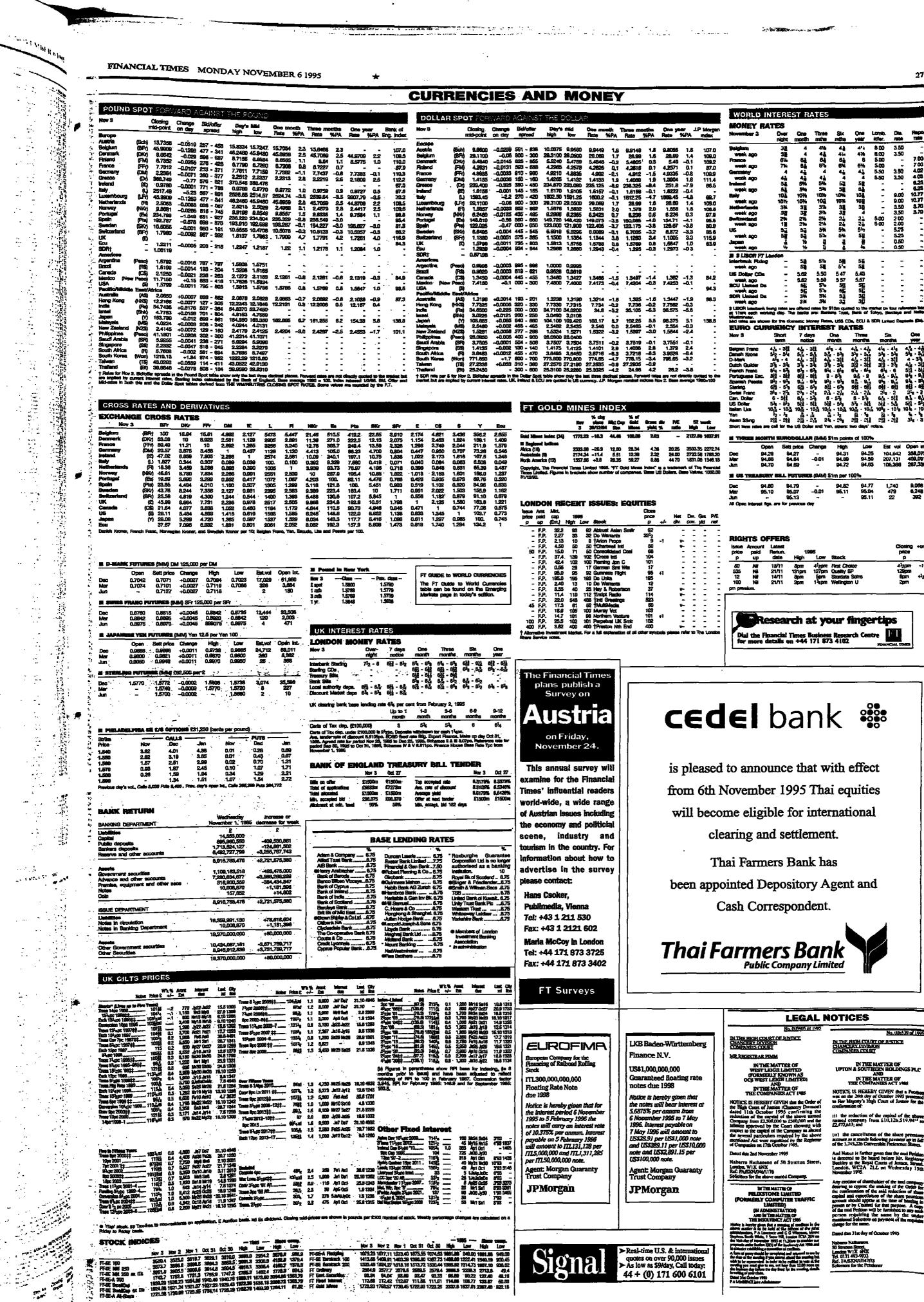
4¹2pm 129pm 6pm 2pm

No. 000539 of 1995

44 + (0) 171 600 6101

104,642 207,131 106,368





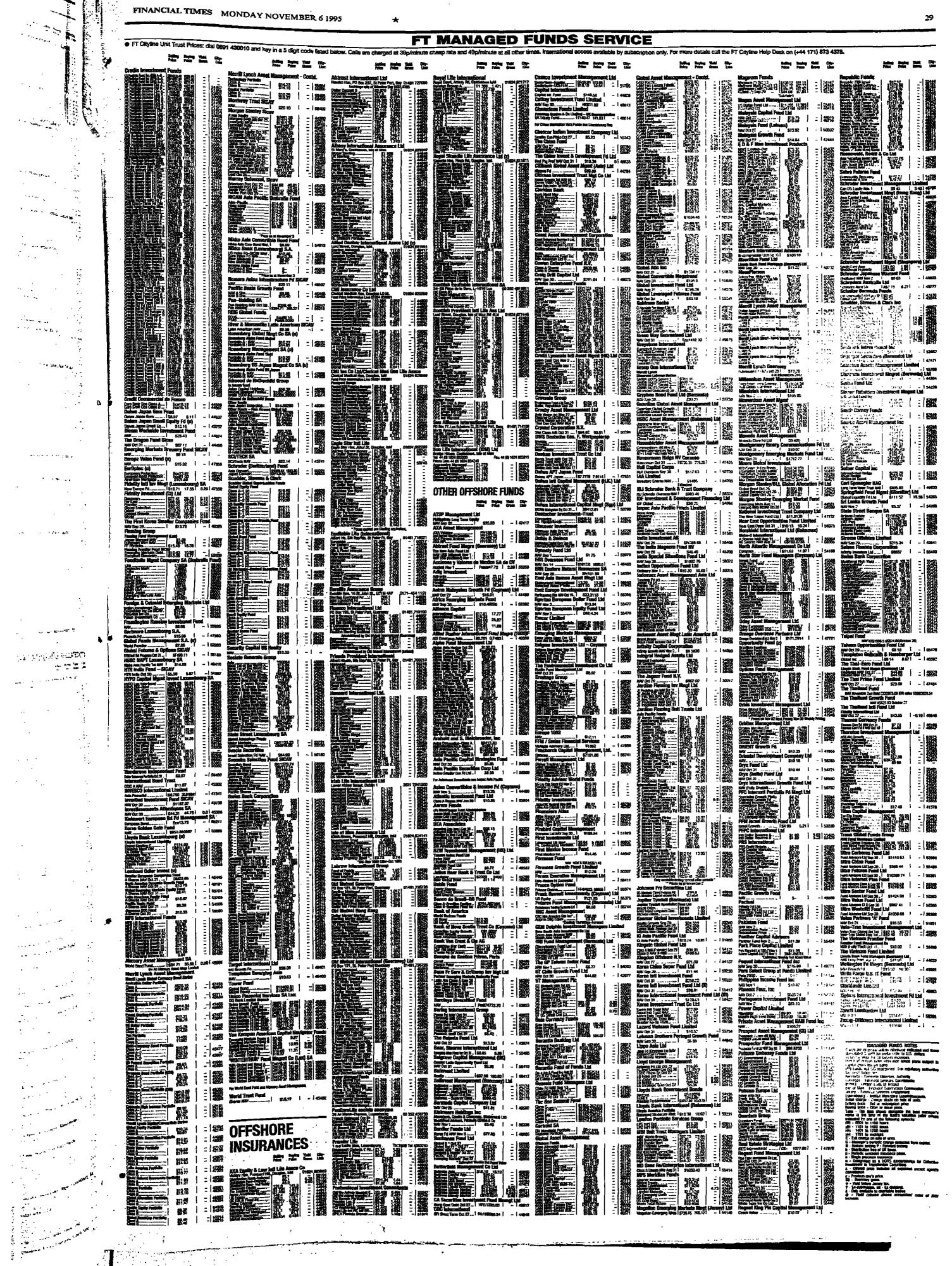
- - · ·

			FT I	MANAGED F	UNDS SERVIC	Ecription only. For more details call the FT (Cityline Help Desk on (+44 171) 873 437	8.
OFFSHORE AND	hit Since Selling Suring Third City- Clays Print Price Ov. Use Royal Bit of Canada Q/S Fel Myrs Ltd - Contol.	Company Sales Service Company Service		Some Burks, View Chr. Pice Pice Pice Cres Line Pice Pice Pice Pic Pice	jak mes sumu deju Yuddin- Duya Prim Prim dis Liar Chili Fund Minaspers - Courts Gui con Puttife Famil 1 5 4262 1 5269 1 - 14261	John Govett Management (Jersey) Ltd John Govett Managemen (Jersey) Ltd John Govett Management (Jersey) Ltd John Govett	en porske Bank routerri fred. Lux en por	Marchary Assert Management 5 A - Counts Marchary Assert Management 5 A - Counts Marchary Assert Management 5 A - Counts See Assert Mana
Figurity Correctory Francis Ltd. Figurity Correctory Francis Ltd. Pentity Mail. Pentity Mail. Pentity Ltd. Pentity Mail. Pent	Spring Comments of Line Comment Comments of Comments o			Peru Assention has Selected and	Property of the Control of the Contr	Starting Demonstrate Security Facility 2000 [2.80] (5.44) 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	objekte helf driverstraunts (af SSCAY of 34 276) at the data revenue was a state of the state of	Middlend Ind Ground Form Side (2014)
Account Section 19 Control of Con	ASIZ Mingout Co (Ginerusey) Ltd [George that upon to Plan. 1 314.27 14.59 - 14.0053 Apollo Investment Messagement Ltd Tiper - 1512.27 17.59 - 15327 Arch Bente Fund Missagement Ltd All Inhumblered Paral Ltd All Inhum		Dyn Ray	1 1 1 1 1 1 1 1 1 1	ISLE OF MAN (REGULATED)(**)	Libergater Gilder (Leitser) List Propi income Propi Geller (Leitser) Freque income Propi Geller (Leitser) Ge	This Good is, 19 413, parameters (0) 522 diseases (1) and the state of	PO Ben 29 S J relate Legan From Control Fr
Origination 17 to 17 t	Commercial folion Captries for Hope Captries for Hope Commercial folion Captries for Hope Commercial folion Captries for Hope Captries for			emingha investment liguit (incland) Lid pert \$10.14 \$6036	RI Mandel Frenh. RI Sign Series Communication Communicati	See a second seco		S-E-Benjam Lummbourg SA 1-6 Budged Royal (-244), Lucenburg Spanisher
BERMUDA (REGULATED)(**) Remunda inti lawingt Mycont List Actual Control (1985) 123 123 123 123 123 123 123 123 123 123	Company New York (1872-20 - 125-20) Confirmed Hamagements (Confirment) Lid Contract Venture Excit 18 2 Art 44873 Sichael Perturbio Misseagement (Consensory) Lid Contract Confirment (1871-18 1759	Transport America Amer		to Francista Fi Pic. 510.22 0 00 55500 Assect Management (Iroland) Ltd Engring Mark Strat. 121 27 1320 000 4470 Engring	Denomination of the second sec	March 1 Sept 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Sealing Femals (a) security femals (a) security femals (b) (2004a, L-1021 Los 87 2174 Los-03 331 251331290 Los-03 332 251331290	Sender of Acc
The state of the s	Ind tim-Stop Popt Inc	Guissansen, Filight Sedect Francis Pitz Surges Hei, Hermatt St, Datife 2 00 350 Herndersten Croeditregille Investigated Co 25 Si Mey of Hil, Landon, ECO 3A. Guissansen 11, Landon, ECO 3A. Guissansen 15, Landon ECO 3A.	-1- Han	main Korne Venture Francis and Sandan Maria Maria Venture Francis at the Company of the Company	The state of the s	Pergettina UT discrete Correct Ltd. Chance for Sun 15 - 252 200 -	## Approx. 100	Surriging into A and Surrey (and Surrey (a
	According to the control of the cont			Transport Comment Comm	Lath Notes Selling Surping Their Christian Selling Surping Their Christian Selling Sel	Introduced Bong 1	Personal Groups (n) Process for Investment - Assess Secretary code 90 Spin Process for Investment - Assess Secretary code 90 Spin Process for Investment - Assess Secretary code 90 Spin Process for Investment - Assess Secretary - Assess Secre	
GUERNSEY (SIB RECOGNISED) The Bridge String Price Code Charles Charles Code Charles	April Apri	Security America Second - 20,07,556 Second - 20,07,566 Second - 20,0	15 Det Kon	of Artificial Series	According to proceed and the control of the control	SECTION TOTAL STATE AND ADDRESS OF 2818 TEST Franch Managers (27) Ltd TEST Franch Managers (27)	The second secon	Scottisch Egotische Intl Franci SCAV (u) 14 nor Attention, 1—1111, Lucenbrowe, 60 25 C790 7112 55 parameters (and) 55 paramete
And the Engine Page 1 - 5 (1999 - 1999 - 1999) In 1999 1999	Micros Lab Year Instrume 17, 19500 1947 - 47755 Parragion Asset Management Lab Parragion Cao Ago Fel Lal. 80A.82 Parragion Cao Ago Fel Lal. 80A.82 10A.84 10A.84 Parragion Cao Ago Fel Lal. 80A.82 Parragion Cao Ago Fel La	Geben Grow Mid Geben - Common	0.00 2010 Km	Internal Search (Pc. \$8.00 6.24 - 58622 rose Open Fund 30.00 - 38467 rose Sprint Fund Pic \$8.50 - 5446 rose Sprint Fund Pic \$1.50 - 5446 rose Sprint Fund Pic \$10.37 - 58515 rose Search \$10.37 - 55557 rose Search \$8.76 - 55506 roser Power Fund Pic \$1.50 roser Power Pixel Pixel Pic \$1.50 roser Pixel P	Committee Commit	Cope (A) Price (Price (The state of the s	Tribute 19 -
US Long Horsey O State of the Control of the Contro	Carlot Control	Japan Growin S2,275 S2,275	1 68 (143) 66	ream Preferred Share Fond V	Fig. April 12 Common Co	Althrest Florid Magers Linearitheory SA (b) 1 me Sophie L. 1937 Literathery 00 352 40444020 Althrest Althrest Florid Literathery 00 352 40444020 Althrest Althrest Florid Literathery 00 352 40444020 Althrest Salar Florid Literathery 00 352 40444020 Althrest Florid Literathery 00 352 40444020 Anterior Florid Literathery 00 352 40444021 James College L. 1637 Literathery 00 352 40444021	ST Reserve Control Con	States States State States Sta
The second secon	Royal Stank of Casada bril Honey Mariest Pd Harve Mariest Pies Harve Mariest Pies Harve Casada Pies Ha	Comment of the commen		First Remark Front pt. 199.76 10.25	The state of the s	The state of the s	ment for the control of the control	LUXEMBOURG (REGULATED)(**) Solve Ports Table Co- Autum Informational University French (xx) Regular French (xx) Autum Informational University French (xx) Regular French (xx) Regular French (xx) Regular French (xx)
control & Process control on Pro	Schrifter investigate resignat (community) Find of the community of the c	American Grandi - 45 Gaz And		Mile September Mile	Comment of the commen	After Date 16 STALES - 6500 Statement of the 16 STALES - 6500	property Sealer Co. 100 (2.77 1.17 1.17 1.17 1.17 1.17 1.17 1.17	The content
Contract	LLS. Advisor's (Guerricoy), Listening Sci Org. Per. of 6th field SOL #1 20.05 -1 40.065 Wells Fergo Hilden Inv Adv Soy Ltd Lope Index Fred	IS sentent content of the content of		Asset Personal Control of the Contro	The control of the co	and of here that the front that the first that the	Common Continue	The state of the s
Complement and a complement of the complement of	IRELAND (SIB RECOGNISED) of data Saling baybay Told Ca- Caypa Fried Humanagers (Iroband) Ltd Of Remout Greet, bushes 2 of the control from	IRELAND (REGULATED)(**			Design Part	14 for Addings L-3110 15 continue there	1	Comment of the Commen
Large transport from 1 to 1	general histories files 100 pt 100	ABS disted Funds belt Trent that plan Fund (10) historical Corrency. St. 1040 1977 71465 135 145 14775 98 15 1476 14775 98 15 1476 14775 98 15 14775 9	- 55506 7 7 1 1 1 1 1 1 1 1		PO DOS SEL SCHOOL SERVICE STATE OF THE SERVICE STAT	Service Flower 1/2 1		Short indicated a control of the con
Linguis Bant, Ford Banasages (Banasages) List Assemble Diplot 6 — SSL 510 Canadas Holeston 6 — Canadas Holeston 6	DO Condense Paris - Barrier Ba	Asian Energing Mariotts Pand Pic. Asian Energing Mariotts Pand Pic. Asian Source Pic. Bellian Structh Pand Pic. Bellian Structh	- 1 550140 1550 - 1 55005 550 - 1 55004 1550 - 1 5500 - 1 5500	and the second s	JERSEY (REGULATED)(**)		Same Cap Percents Same Cap	Askan Development Equity Fund Perison 8 -
Westparted Fig. 1 1995	Constitution (gain) Consti	STIRM LES Doller		influence of the same of the s	Carbon Allem Investment Management (C) Carbon Allem Investment Management (C) Carbon Allem Investment Angel Lad (Alle) Carbon Allem Investment Angel Lad (Alle) Carbonate International Angel Manage Lad (CAMI) Carbonate Company Investment Angel Lad (CAMI) Carbonate Company Investment Angel Lad (CAMI) Carbonate Company Investment Inves		Control Hughing Control Hughin Control Hughing Control Hughing Control Hughing Control Hughing	Sensor Flame Latermood Self. Self. General Flame Self. Self. General Flam
	Cristo Programme Control Contr	Secretarian STATE		STEAM SEE Investment Company PLC 14854 Miles Fund 14864 M	Simple Again 19 Cgr 1972 201729 - 4775 19	Design Committee	The second Goday Place (to) CC	CB Family Informational (nr) CSFB Undermite ST2.44 - 43441 CSFB Undermite ST2.44 - 43441 S
	A	Service Bushesia (Prelated) Lad	MANAGEMENT AND	The state of the s	Feminis Composition Services (1998) 4.86 (1998) 1.87 (Say Hangree Off	3 Am Green L 1-1837	Cartian Guidi-Fel Gari S. 2.269 Chick Cheese Handstram West Frenchs S. 269 Cheese Handstram West Frenchs S. 269 Cheese Handstram Guidi-Fel Guidi-F
Reyel Brook Chandra Life Chandra Con Figure Life Chandra Chand	The Fiduciary Treat Blocked Fund 12 Leave Leaten Street 12 Leave Leaten Street 13 Leave Leaten Street 14 Leave Leaten Street 15 Leave Leaten Street 16 Leave Leaten Street 17 Leave Leaten Street 18 Leave Leaten Street 18 Leave Leaten Street 18 Leave	Carried Exercises areas \$10.50 miles (Carried Exercises Action Carried Carried Exercises Action Carried		Service For \$1 9041378 1 1052 1011 1000 1010 1010 1010 1010 10		11 The Michages 1—1118 Lumenbourt	Secretary Secretary No. 1 (100 con large property of the control o	South Control Education STATE STATE Light Appropriate Equation STATE Light Appropriate STATE Light Appropriate STATE Light Appropriate Light Appro

The second secon

...

The section of



Mary State of

	30	* LONDON SHARE SERVICE	FINANCIAL TIMES MONDAY NOVEMBER 6 1995
: · · · · · · · · · · · · · · · · · · ·	AMANCE, RETALL AMANCE, RETALL		

The late of the same of the sa

THE REPART

Contraction of the Contraction of

Open Company	FINANCIAL TIMES MONDAY NOVEMBER 6 1995 *
	ENV TRUSTS SPLIT CAPITAL - Cont. LESSUIPE & HOTTLO CO.
537	LESURE & HOTELS - Cont. Oil, INTEGRATED - Cont. PROPERTY - Cont. Support SERVICES - Cont. Alm - Cont. Alm - Cont. Alm - Cont. Alm - Cont. Oil INTEGRATED - Cont. PROPERTY - Cont. Support SERVICES - Cont. Alm - Cont. Alm - Cont. Oil INTEGRATED - Cont. Oil INTEGRATED - Cont. Oil INTEGRATED - Cont. PROPERTY - Cont. Oil INTEGRATED - Cont. Oil INTEGRAT
200 100 100 100	Fri S (2) S (3) S (3) S (4) S
9 00 Mar. 10 10 10 10 10 10 10 10 10 10 10 10 10	Signature 1 1 1 1 1 1 1 1 1
775 736 737 741 741 741 741	Company Comp
	Units 273 168 172 168 172 168 172 168 172 168 172 173 17
71 100 100 100 100 100 100 100 100 100 1	Note Per colony Section 1.5
7: 3c	CONTROL 10 - 10 - 10 - 10 - 10 - 10 - 10 - 10
所可提出的现在分词 而可提出的现在分词 可可提出的现在分词	Street Fig. 13 April 10 April
44 - 48 - 19 - 19 - 19 - 19 - 19 - 19 - 19 - 1	15 15 15 15 15 15 15 15
200 000 000 000 000 000 000 000 000 000	Part
174.	Zen Die FI. 1.72 - 1.04 - 1.05 - 1.73 - 1.04 - 1.05 - 1.73 - 1.04 - 1.05
15.	Property Set 12 12 13 14 15 15 15 15 15 15 15
	15 25 25 25 25 25 25 25
が では、 では、 では、 では、 では、 では、 では、 では、	## 15 Complete 17 22 31 September 12 27 32 September 12 27 September 12 2
	Zero Dis Fri
74 24 25 25 25 25 25 25 25 25 25 25 25 25 25	## 6 25d Dual frc. 110
William Wall	17 18 18 18 18 18 18 18
756 786 787 787 787 788	Column C
双 皇二子 罗 明	Zero Pf 260 0 6 6 1 1 200 1 25 1 25 1 25 1 25 1 25 1 25 1
	No. 5 about 1 1 20.1 20.5 2
ででは、	Numerical 15 -62 Agr Dec 223 Agr Dec
	Separation 161 -2 -2 161 -2 27
DH H H H H H H H H H H H H H H H H H H	Cop
r. m	Sept Mathemal Inc., \$41 7.8 about 100 257 14.5 268 1.70 1.10 4.5 25 25 100 4.5 25 25 1
	Transport Section Transport Section Transport Transpor
## M D 25	17 15 15 15 15 15 15 15
	** Notice 12 12 12 13 14 15 15 15 15 15 15 15
\$ 1.00 miles	Part 100
# # # # # # # # # # # # # # # # # # #	
11. 电影 医甲状	Approved by the hand Revenue ### APA BB - Nov
4. A SECTION OF SECTIO	Control Earn Geriffs 182 -1.5 (Gardine Service S
A CONTRACTOR	East Serious Frostlerals 65 53,4 578 240 Model Declarate 534 578 240 Model Declarate
1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1	Latin American 5 4 57 26 - 78.8 - 3467 B-3.07 1 57 3.2 25 1 58 1 58 1 58 1 58 1 58 1 58 1 58
	Statistics 1 1 1 1 1 1 1 1 1
# # # # # # # # # # # # # # # # # # #	104-Cite Cell - 1/101 - 2,5 12:10.1 larg fair 2,10 2/10 2/10 2/10 2/10 2/10 2/10 2/10 2/
in the second	Winds Wind
	1/16 California 1/2
A CANADA	Section 1.5
**************************************	Original Date in a Date is a Date in
***	Sign filts - 1 5225 1.4 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5
The state of the s	Second Calls 19 19 19 19 19 19 19 1
grave.	188 Claim Find 5
accurran	Fig. Special State Control of the Co
	######################################
	Among Picords 25 13 Pack Age 113 1876
	Note Add Front
	185 - 5170 Pents 01 -
BRANCE TO SPELT CAPITAL	20 10 10 10 10 10 10 10
	Sub Prince Company No. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Shared State of the state of th
	10
and the same	Table Tabl
	Winds Description Descri
	According to the second

THE PV Sta Chief Pver. 15 E 1920 High Law Gunta Canso 12 2775 33 32¹2 32¹4 4³5 1.55 5.6 16 115 30¹5 29¹4 11¹2 11¹4 11¹4 11¹4 11¹4 11¹4 11¹4 11¹4 11¹4 11¹4 11¹5 11¹5

- L -

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

| The color of the ### Tow Stock
Low Low Low
Low

784. F. 1806. 1892. 1894 Prov. 2008. 2019. 2019. 2574. 253. 254. 257. 26. 2 - C -

1985 High Law Stock 45¹2 35¹3 Cathler 5⁷5 B²6 CV Held 39¹2 14¹2 Cyclete Sys 27²4 10¹4 Cyclete 32¹3 24¹4 Cyclete 61²5 31¹4 Cycle - D -

13¹4 10 EDC intl x
20 13 EGS6
25¹4 27¹4 EST URE x
25²5 25¹4 E Embr
66¹2 66¹2 Est E Embr
66¹2 66¹2 Est Embr
66¹2 66¹2 Est Embr
66¹2 66¹2 Est Embr
27 17¹4 Est Embr
28¹5 27¹6 Est Embr
29¹ 13 Est Embr
27 17¹7 Est Est Embr
27 17¹7 Est Est Embr
30¹7 13 Est Embr
30¹7 12¹7 Est Embr
30¹7 12¹

********** ** *** 古代日本山 古古古古山山山山山 山山山山山山 人 小山

1.06	3.1	30	20	21	21	22	21
1.12	74	79	75	14	15	15	
3.50	9.1	2	35	35	35	35	
3.60	5.9	15	70	64	64	64	
3.50	5.9	15	70	64	64	64	
3.50	2.5	18	125	74	77		
3.50	2.5	18	125	74	77		
3.50	2.5	18	125	73	74		
3.50	2.5	18	125	73	74		
3.50	2.5	18	125	73	74		
3.50	2.5	18	125	84	84		
3.5	2.5	15	18	18	18		
3.6	2.5	15	18	18	18		
3.6	2.5	15	18	18	18		
3.7	2.7	2.5	2.6				
3.8	3.5	9	7000	145	103	103	
3.8	3.5	9	7000	145	103	103	
3.6	3.5	35	35	35	35		
3.5	3.5	35	35	35			
3.5	3.5	35	35	35			
3.5	3.5	35	35	35			
3.5	3.5	35	35	35			
3.6	3.5	35	35	35			
3.6	3.5	35	35	35			
3.6	3.5	35	35	35			
3.6	3.5	35	35				
3.6	3.5	35	35	35			
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35	35				
3.6	3.5	35					
3.6	3.5	35					
3.6	3.5	35					
3.6	3.						

24, 174 FAI Dear 1
154, 134 FT Dear 1
154, 134 FT Dear 1
261, 135 FT Dear 1
261, 135 FT Dear 1
261, 136 FT D

| 1985 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 - H -

- J
1.38 6.8 26 495, 495, 495,
3.50 5.9 82 513, 505, 51

0.32 2.7 15 1105 117, 113, 113, 113,
27 4462 227, 225, 225,
0.02 0.2 27 83, 83, 83, 85,
0.19 2.3 144 84, 87, 88, 83, 83,
1.32 2.9 14 183 67, 88, 67, 88, 67, 88, 78

7.88 7.8 2 1013, 1013, 1013, 1013, 1013, 1013, 1013, 1013, 1013, 1013, 1014, 1013, 1014, 1013, 1014

시 1년 1년 1년 1년

the title the text to be the title to be

, ; i₂ , i₃

81-3, 291-9 EP loc
287-3 193-1 P Time x
107-9 9 SIT Proply
5 31-3 LT File
287-3 LT File
287-4 LT Fil

\$2¹q 37⁴q J Reer PF 53 33³q J Reer L 53 33³q J Reer L 53⁴q 17⁴q Jacobs By 10⁵q 7⁴q Jacobs By 10⁵q 7⁴q Jacobs By 10⁵q 7⁵q ap Ox 69¹q 50⁵q Jep P 105⁴q 83 June P7, 88 66 45⁵q Jen Da 54 55⁵q Jen Da 54 57⁵q Jen By 24 ¹q 17⁵q Jen By 24 ¹q 17⁵q Jen By 17 ¹q Jen By 17 ¹q Jen By 18 ¹q 17⁵q Jen By 19 ¹q 19 ¹q

394, 245, SLM R (Dich 234, 294, SR Energy 652, 513, SLM R2, 45 244, 205, Sandy P 1 912, 772, Sandy 254, 215, Sandy 254, 215, Sandy 251, 252, Sandy 251, 252, Sandy 251, 165, Sandy 261, Sandy 261

5% 2 1.4 Geor Calu, 35% 15 & E 51
Calu, 35% 15 & E 51
Calu, 35% 15 & E 51
Calu, 15% 15% 15% 15% 15%
Calu, 15% 15% 15%
Calu, 15%
Calu

1865 Lev Sinck 343, 2346 Know 361, 25 Kill Sev 197 1342 1045 Kahlman Co 186 122 Kyoser CP 2514, 20 Kyos Inda

| The color of the

- N -

1 1 1

古林 中縣 计 城市 山 南南山南北縣

48 341, Profit in 12 892 PS Group 15 131, Page 18 Group 17 Page 18 Group 18 Gr 44 3-74, right to 187, 64 1, Proter let 22 20% promoted 37, 3% prosp St x 37-3, 27-3

1965 19gh Law Back 12kg 10% Naves M1 15kg 15% Naves M 0 17kg 45% Naves N M 17kg 14kg Naves N M 15kg 13 Naves P P 15kg 15 Naves P 1 16kg 15kg Naves P 16kg 15kg Naves M - 0 -SA CHM CP 144, 64, 0 H M CPI
32 2012 Cus Inde
32 2115 Quincol into 2
2413 18 Quincol into 2
2413 18 Quincol into 2
2413 18 Quincol into 2
2413 1814 Quincol into 2
2413 1814 Quincol
2413 1814 Quincol
2414 2115 Quincol
241 -P-Q-

78. 77 0.76 6.8 1.09 7.1 0.87 8.1 1.13 6.8 1.08 7.1 1.02 7.0 0.40 2.5 11 2.36 4.8 20

STATE TO SECURE SECURE TO HAVE THE THE PARTY OF THE PROPERTY O

- B -日南南山山山南山 山南山 山山山山山山 一场山南 日山

29 BCZ 2.72
64 BCT ADR 0.27
37a Bellert Fent 0.44
174a Salidar He 0.31
275a Salidar He 0.31
2

BE OUR GUEST.

hot<u>e</u>l·restaurant When you stay with us LUXEMBOURG stay in touch -with your complimentary copy of the

FINANCIAL TIMES

*** * ****

经外有的有的分词

lave your - S --23,

174, 124, \$ Awta R.
164, 72, 9007 (5 Cp)
41 255, 975 To
102, 776, Sahina Na
6119, 1714, Salayri Sc
184, 1279, Sahina Na
184, 3079, Sahina Na
182, 504, Sahina Na
182, 504, Sahina Na
183, 514, Sahina Cp
61, 3279, Sahina Na
184, 514, Sahina Na
187, Sahina Na +25g +14 -15 +16 +18

- R -

*

Financial Tum

the trans

n a.

y

1

FINANCIAL TIMES MONDAY NOVEMBER 6 1995 *	33				
	NASDAQ NATIONAL MARKET 4 pm close November 3				
1985 1985	Figure Size				
101 STREAM NO. 144 Add 1 10 STREAM NO. 154 Add 1 10 STREAM NO. 154 Add 1 10 STREAM NO. 1551 351 551 551 551 551 551 551 551 55	Adapter: 26 4948 451g 441g 441g 14g 10g Micro 81 815 191g 101g 101g 101g 101g 101g 101g 101g				
27 14 Sends 1986 1 20 2 1 1 22 14 14 14 14 14 14 14 14 14 14 14 14 14	Apriculate 39 129 1892 18 1892 19 Dorch Nov. 059 20 14 1214 1214 1214 1214 1214 1214 121				
[37] 30] Sensel 0.92 2.8 8 7656 364, 251, 251, 251, 141, 156, 1820 427 1772 1772 1772 1772 1772 1772 1772	Mins Drg 0.52 13 x100 43½ x3½ x3½ x3½ x3½ x3½ x3½ x3½ x3½ x3½ x				
57 2 22 28 5 18 m 10 13 14 14 15 15 15 15 15 15	Am Banker 0.76 11 1215 367g 357g 361g 41g Am Cay Bridge 0.16 13 102 11½ 11½ 11¾ 11¾ 6276 19 9000 22 27 271g 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½ 1½				
24 13 Sheathout 0.16 0.4 28 3187 251 24 24 24 24 24 24 24 2	Austhol? 1 5728 1-3 31 1-3 4-4 BrowneComp 0 1157 174 174 174 MCC CO 905 4224501 251-6 251-7 25 4-8 Schemby A 0.34 13 4020 20 19 20 4-8 BrowneComp 13 5760 111-2 1076 111-8 1-9 Engineers 28 5 19 19 19 19 19 19 10 MCC CO 905 4224501 251-6 151-				
34 LUZ Soubstano 0.10 80.0 0 1851 12 12 13 130 100 1851 13 12 12 130 100 1851 14 15 12 14 15 165 15 15 15 15 15 15 15 15 15 15 15 15 15	Annipole 0.16 19 37 19½ 19¼ 19½ +½ Annipole 0.16 19 19½ 19½ 19½ 19½ 19½ 19½ 19½ 19½ 19½				
417 224 Sitection 23 674 Locifs 417, 435, 418, 156 418, 186 418, 187 418, 188 418, 187 418, 188 418, 1	Applet Mat: 2659010 55% 53% 52% 55% +2% Applet 0.45 1016045 53% 53% 53% 53% 54% 54% 54% 54% 54% 54% 54% 54% 54% 54				
194 154 SCHM 1.20 8.4 13 8 593 164 167 167 46 405 234 11130	Amount in 0.44 13 367 174; 184; 173; 4-5; Fibitine 1 .40 161382 692; 674; 675; 4-5; Meximon 0.44 13 104 94; 9 94; 4-5; SiconNic x 0.05 10 2317 184; 184; 19 Amount in 0.44 13 367 174; 184; 173; 4-5; Fibro 1 2 570 12 12; 12; 12; 4-1; Meximon 0.24 13 104 94; 9 94; 4-5; SiconNic x 0.05 10 2317 184; 134; 135 +1 Meximon 0.24 13 104 94; 9 94; 4-5; SiconNic x 0.05 10 2317 184; 134; 134; 134; 134; 134; 134; 134; 13				
334 322 334 322 345 345 54 55 65 65 2 27 19 2 23 11 13 12 42 41 2 25 15 15 15 15 15 15 15 15 15 15 15 15 15	Attracks 0.24 23 5079 35% 3078 143 2079 3078 1.3 Finster 1.20 14 21 4372 4372 4372 4372 4372 4372 4372 4372				
13 12 25 25 26 25 14 25 26 26 25 26 26 26 26 26 26 26 26 26 26 26 26 26	Forecaster 20 134 11\frac{1}{2} 11				
581 5 54 Sarratt 0.72 3.1 11 2 227 273 273 11 1 1 2 227 273 273 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Encourage U.So 21 1434 2344 2342 2442 244 2544 2544 254 254 254 254 25				
245 154 Sheer Card 0.60 3.6 4 3480 155 184 185 + 3	Boyleans 2-00 12 707 B3 82 82 82 4 19 SAK Serv 0.07 26 255 241 231 231 24 11 Molecular 0.60 12 300 262 28 39 5 41 Sak Serv 0.07 26 255 241 231 231 1 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				
37 Sun Beorgy 9,84 15.1 16 288 44 45 44; 25 25 175 LebBoarded 0.23 1.09 11 22 214 214 214 214 214 214 214 214 2	Bin				
31% 17% Surp Gare 0.20 U.S 34 923 x81% 30% 31% 4% 31% 22% 181% 0.20 U.S 34 923 x81% 30% 31% 4% 31% 22% 181% 0.20 U.S 34 923 x81% 30% 31% 4% 31% 22% 181% 0.20 U.S 34 923 x81% 30% 31% 4% 31% 22% 181% 0.20 U.S 34 923 x81% 30% 31% 4% 31% 22% 181% 0.20 U.S 34 92 x81% 30% 31% 24% 31% 22% 181% 0.20 U.S 34 92 x81% 30% 30% 31% 31% 31% 22% 181% 0.20 U.S 34 181% 181% 181% 181% 181% 181% 181% 181	Bostemen S 1.48 11 1310 387g 38 38 36 -12 68heet A 0.80 4 48 144 133 14 +12 80 Bears 0.32 14 1731 1812 1819 1814 1814 1814 1812 1813 1812 1819 1814 1814 1814 1814 1814 1814 1814				
-T- 502 044 10020 0.00 4.3 51 207 4½ 42 4½ 4½ 55 55 55 55 55 55 54 55 55 55 55 55 55	SSB Strap Quality Quality SSB Strap Quality				
9 7-3 ICM Craps A Qub. 4.5 19 65 7100 52 ² 3 52 ² 5 52 ² 5 10 52 ² 5 52 ² 5 10 52 ² 5 52 ² 5 10 52 ² 5 52 ² 5 52 ² 5 10 52 ² 5 5	Maxima A 11 207 615 634 635 416				
AMEX COMPOSITE PRICES 4 pm close Movember 3 PV Sta PV Sta Stack Div. E 100s High Low Glass Chang Stack Div. E 100s High L	Carper Cp 81 2728 87g 91g 91g 91g 91g 91g 91g 91g 91g 91g 91				
Adv Magst 147 2 285, 285, 12 Crown CA 0.40 14 54 142, 143, 143, 143, 143 15 Houris Ch 1.17 13, 15, 15, 15, 15, 15, 15, 15, 15, 15, 15	Case Compose C. S. 10 65 134; 13 134; 45 Hotogle S4 27 274; 255; 255; 34; Colored Com 24 2485 345; 33 331; -76 Tyef-M 0.08 16 1945 254; 254; 458 Colored Compose C. S. Colored Compose C. S. Colored Compose C. Colored				
AnterPDR 75 2 412 412 412 Easts Co C45 11 5 12 113 113 115 115 115 115 115 115 115 115	Chemister 12 35 6 6 8 .12 Chapter 1 2 75 6 6 8 .12 Chapter 1 2 75 6 6 8 .12 Chapter 1 2 75 6 75 75 8 9 6 75 8 9 6 75 8 9 6 75 8 9 75 8				
BATEART 0.74 12 78 17 1615 1615 1615 1615 1615 1615 1615 1	Carrier 1, 2 1.5 at 5 30 60 53 2 6.5 at 5 5 50 6 50 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5				
Carniform 0.20 13 39 383 387 387 387 387 387 387 387 387 387	Commetter 8 455 34, 43 34, 44, 4				
Comparine: 21 170 21g 21g 21g Handle: 82 916 11g 15g 17g +1g Nagazet 109 20 43g 47g 47g +1g Nagazet 2 196 2g 21g 21g +2g Conset Fas 14 33 4ng 4 4ng	Cogness 39 2578 344, 3276 34 46 Internal 22 158 143, 1412 143, 444 Payentext 22 458 143, 1412 143, 444 Payentext 23 48 143, 445 Payentext 23 48 143, 1412 143, 444 Payentext 23 48 143, 14				
	Commentation 0.72 13 508 39 30 4 30 4 4 4 4 5 5 25 4 24 4 25 4 5 26 25 4 24 4 25 4 5 25 25 25 25 4 24 4 25 4 5 25 25 25 25 26 4 25 2 25 2				
Fance:	Complete 75 1869 94 85 8 9 18 17 17 17 18 18 18 18				
Gain the edge over your competitors by having the Financial Times delivered to your home or office every working day. Gain the edge over your competitors by having the Financial Times delivered to your home or office every working day. Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers who work or five in the business campus of Aix en Provence, Bordeaux, Cannes, Hand delivery services are available for all subscribers are available for all subsc	Cytose 17 9762 345a 525a 345a +13c 150 15 72 313a 31 31 3a 1 3a 1 3a 1 3a 1 5a 1 5a				
Femey Voltaire, Grenoble, Lyon, Marselle, Media (1) 42 97 06 23 for more information. Please call (1) 42 97 06 23 for more information. Financial Times. World Business Newspaper.	Designation 12 25 4\frac{1}{2} \frac{1}{4} \fr				
	Dell Comp 2018218 1487 ₄ 481 ₂ 481 ₄ -1 ₈ Kullicias S 1718225 301 ₂ 281 ₂ 291 ₂ +1 ₃ 2 Omiclosis 22 739 16221 ₄ 311 ₂ 311 ₃ -1 ₄ Zhensilten 1.40 14 300 701 ₂ 68 893 ₄ -1 ₄				

MONDAY

Rabin funeral

World leaders, including UK prime minister John Major and US President Bill Clinton, gather in Tel Aviv for the funeral of Yitzhak Rabin. The assassinated prime minister of Israel will be buried at the Mount Herzl national cemetery in Jewish west Jerusalem. Others due to attend are Germany's Chancellor Helmut Kohl and three former US presidents: Jimmy Carter. George Bush and Gerald Ford, Malcolm Rifkind, UK foreign secretary, will also be there and intends to continue with his scheduled tour of the Middle East later in

Fiscal pact in Argentina

Argentina's President Carlos Menem and his economy minister Domingo Cavallo will meet governors of the country's 23 provinces in Buenos Aires to discuss a new fiscal pact to coordinate state and federal taxing and spending policies. Mr Menem confirmed last week that his government was considering demanding salary cuts for provincial government workers, as part of an overall package to stem spending.

Trinidad and Tobago election

The incumbent People's National Movement is expected to be returned for a consecutive term with a slim majority, in a general election in Trinidad and Tobago. The prospects of the party, lead by Patrick Manning, the prime minister, have been helped by the failure of the two main opposition parties to unify. Defections by MPs and losses in by-elections had reduced the government's parliamentary majority to one, leading Mr Manning to call the election a year early.

Trial in Tokyo

Tokyo district court begins the trial of the former head of Tokyo Kyowa Credit Association, Harunori Takahashi. He has been indicted on breach of trust charges in connection with bad loans given out by his credit union.

G15 summit

Leaders of the Group of 15 developing nations converge for a summit in Argentina. Argentina's foreign minister Guido Di Tella has urged the group to adopt a less confrontational approach toward G7 countries and concentrate on trade and co-operation. About 300 industrialists from the 15 member nations have been invited to attend the meeting.

FT Surveys Copenhagen and Global Custody.

Holidays

Colombia, Morocco, Sri Lanka.

TUESDAY

US elections

The US holds its off-year elections with the most interesting races likely to be those in San Francisco and Virginia.



Bosnia's Alija Izetbegovic and Muhammed Sacirbey watch football in Kentucky on a day off from peace talks which continue in Ohio

California's former Speaker, Willie Brown, is hoping to become the next mayor of San Francisco and Republicans are hoping to gain control of Virginia's state assembly for the first time in 120 years.

New York auctions

Christie's kicks off the biggest week of art sales for five years in New York with an auction of 65 important Impressionist and Modern works of art. For art connoisseurs the

highlight is one of Matisse's "cut out". collages that he created in his later years, which is expected to make \$7m (£4.5m). There should also be strong bidding, in excess of \$7m, for one of Monet's paintings of waterlilles and a Picasso portrait of an acrobat.

On Wednesday, Sotheby's offers its best auction of Impressionist and Modern art since 1990 and expects to bring in at least \$150m. Five paintings by Picasso, works by Leger and Kandinsky, plus a 1917 self-portrait by Chagall are up for sale.

EU industry meeting

European Union industry ministers in Brussels discuss plans by the Irish government to bail out its small steel industry which accounts for less than 5 per cent of total EU steel production. A difficult debate is expected with strong opposition coming from the UK and Luxembourg which fear state aid will damage competition.

Booker winner announced Publishers prepare for a surge in sales as the winner of the Booker Prize for Fiction is announced at the Guildhall in London.

Now in its 27th year, the Booker is the

UK's most prestigious literary award with £20,000 going to the winner. Salman Rushdie is this year's favourite for The Moor's Last Sigh. Other shortlisted authors are: Pat Barker, Justin Cartwright, Barry Unsworth and Tim

Minister goes fishing

UK fisheries minister Tony Baldry sets sail aboard a Plymouth trawler. Mr Baldry begins his "fact-finding mission" at 5.30am when he joins the crew of the 31m beam trawler Grietje to fish for sole and plaice in the English Channel. He returns with his catch at about 8pm.

Tube strike

A 48-hour strike on the London Undergrounds is scheduled for noon today. Members of the RMT rail union are holding out for a 6 per cent pay increase. Other Tube unions have already settled for 3 per cent.

Speed chess in Paris



The £100,000 Intel Grand Prix final is staged at the Espace Cardin Theatre in Paris, where 16 top players will compete in knockout speed chess. Garry Kasparov's challengers include Britain's Michael Adams, who won

Statistics to be released this week

youngest ever Grand Prix finalist.

the London Grand Prix, and France's

12-year-old prodigy Etienne Bacrot, the

Demonstration in Moscow Hundreds of Russians are expected to mark the anniversary of the 1917 Revolution by demonstrating their continued support for the Communist

Horse racing The Melbourne Cup, staged today at Flemington racecourse, Melbourne, Australia, is not a great horse race, though it remains a social spectacle of the first rank. Best advice: bet small.

FT Surveys New Broadcast and Communications Media and Bermuda.

8

Bangladesh, India, Tunisia, Ukraine.

Inflation report

WEDNESDAY

The Bank of England publishes its latest quarterly report on the government's anti-inflation policy. The Bank's updated forecast for inflation over the next two years will provide some indication of whether Kenneth Clarke, the chancellor, has scope to cut interest rates in the coming few months. However, the Bank is thought to be keen to see how the chancellor's Budget is received later this month before it offers any firm advice on moving base rates up or down.

French strike talks

France's civil service minister Jean Puech will try to avert a second one-day strike when he meets a trade union delegation in Paris. Industrial action on October 10 brought many public services to a halt and disrupted state-sector industries. Union leaders, bolstered by strong support from France's 5m civil servants, say they will call for another strike if the government rejects their demands for a general pay increase next year.

FT Surveys

Southern France and Portugal.

THURSDAY

Commonwealth meeting

Leaders from Commonwealth countries gather for the heads of government conference in Auckland, New Zealand. The summit will debate issues such as drug trafficking and money laundering but Pacific members are expected to press for discussions on French nuclear tests at Mururoa atoll to be put at the top of the agenda.

Europe role for Ukraine Ukraine officially joins the Council of Europe despite reservations expressed in parliament about an early repeal of the death penalty, a long-term requirement for membership. Kiev is keen to have a role within the organisation, which monitors human rights and democracy in Europe and hopes membership will improve Ukraine's status as a political player in Europe.

Macau airport opens

Formula 3 racing cars will be the first cargo to roll off the ramps when Macau's newly-built international airport opens today. The first freight shipment will be racing machines for the 42nd Grand Prix to be run on the twisted streets of Portugues-run Macau on November 19.

FT Surveys Turkish Finance and Industry.

Holidays

Pakistan. FRIDAY

10

Mastering Management The FT's UK edition contains the third ssue of Mastering Management, a 20-part series written by

professors and other academics from the London Business School, the International Institute for Management Development in Switzerland and The Wharton School of the University of Pennsylvania, US. Loosely based on an MBA curriculum, the "course" includes everything from finance and marketing to ethics and organisational behaviour.

Non-UK readers can subscribe to the series.

Hungary/Slovakia talks

A draft Slovak language law which has angered leaders of the country's 600,000 ethnic Hungarians will be under discussion when the prime minister, Vladimir Meciar, meets his Hungarian counterpart Gyula Horn in Berlin. Horn will try to persuade Meciar that the law, which requires public sector employees to read and write Slovak, contradicts the spirit of a bilateral basic treaty signed by them in March.

17 has been a seried and a seri

Business talks in Seville

European Union and US industrialists hold discussions on the benefits of a transatlantic business dialogue (to Nov 11). They will try to identify the key issues in the commercial and industrial relationship between the US and EU.

ياء.

leated in vot

gal Mark at 18 and 18 percent

The following persons you was

. |-21/27 | 1 | 11/2 | 2 |

.....

Marking and

4: 1: ~- . . ·

in uta say

Black Congress

aidian ii s

ath fees of the con-

يمرسيع ا

Cologne art fair

Art Cologne, the world's largest and oldest annual modern art fair, which last year attracted almost 70,000 visitors, opens its doors in the capital of the Rhineland. About 340 galleries from 23 countries will be exhibiting their collections until November 19.

FT Surveys

Private Finance Initiative

Holidays Panama.

> 11/12 WEEKEND

Kohl in Asia

Chancellor Helmut Rohl sets off on Sunday on a 10-day trip to China, Vietnam and Singapore, part of a growing German offensive to prise open Asian markets. He will be the first chancellor to visit Vietnam where several German companies are hoping to land major contracts.

Singapore trade mission

Jean Denton, UK economy and agriculture minister for Northern Ireland leads a trade mission to Singapore on Sunday (to Nov 15). She will meet Singapore's trade minister Goh Chee Wee to promote business and investment opportunities in Northern Ireland.

Remembrance Day



As the UK prepares to remember the dead of two world wars, the Royal British Legion hopes its campaign to restore the two-minute silence on the 11th hour of the 11th day

of the 11th month gains support throughout the country. The Queen attends the traditional veterans' parade and wreath laving ceremony at the Cenotaph in London on Sunday.

Horse racing

The Mackeson Gold Cup steeplechase takes place on Saturday at Cheltenham racecourse, England.

Motor racing

Germany's Michael Schumacher has already clinched his second successive Formula 1 world motor racing title. And in Sunday's Australian grand prix in Adelaide he could become the first F-1 driver ever to record 10 wins in a season.

Holidays

Taiwan (Sunday).

Compiled by Liisa Rohumaa.

Other economic news

Monday: UK factory output is thought to have edged a little higher in September, keeping the annual rate of increase stable. Italian inflation is meanwhile expected to have been unchanged in October.

Tuesday: Most economists expect unemployment to have risen in eastern and western Germany last month, but some think the west may have seen a fall. The annual rate of increase in US consumer credit is thought to have continued slowing in September with some finance companies reporting a rise in the number of loan delinquencies.

Wednesday: Housing starts in Canada are expected to have risen last month, maybe by more than 10 per cent.
Thursday: Forecasts of

French industrial production differ widely for the second quarter, with analysts expecting increases of anything from 0.1 to 3 per cent. The annual rate of US producer price inflation should have accelerated again last month, even though prices are thought to have barely increased between September and October.

Friday: Inflation is thought to have been stable last month in France but to have picked up a little in Norway.

Mon	UK	Sep manufacturing output*	0.2%	0.6%
Nov 6	UK	Sep manufacturing output**	1,4%	1.3%
	ŲK	Sep industrial production*	0.4%	0.0%
	UK	Sep industrial production**	0.9%	1.0%
	Italy	Oct official consumer price indx*	0.6%	0.3%
	Italy	Oct official consumer price indx	5.8%	5.8%
	Canada	Sep building permits*	2.5%	10.0%
Tues	US	3rd qtr productivity prelim	-	4.8%
Nov 7	US	Sep wholesale trade	-	0.3%
	US	Johnson Redbook w/e Nov 4	-	-1.8%
	US	Sep consumer credit	\$8.5bn	\$9.1bn
	Germany	Oct unemployment, West†	8,000	14,000
	Germany	Jul employment, West†	-6,500	-13,000
	Germany	Oct vacancies, West		-5,000
	Germany	Oct short-time, West	20,000	39,000
,	italy	Aug EU trade balance	L2,4Tr	L3.9Tr
Wed	UK	Bnk of England inflation rpt (Nov)	-	-
Nov 8	Canada	Oct housing starts, units	112,000	107,000
Thur	us	Oct producer price indx	unch	0.3%
Nov 9	US	Ditto, ex-load & energy	unch	0.2%
	บร	Initial claims w/e Nov 4	360,000	385,000
	us	State benefits w/e Oct 28	-	2.62m
	US	M2 w/e Oct 30	\$2.8bn	-\$2.7bn

2nd qtr industrial production

Sep producer price indx

Fri	US ·	Nov Michigan sentiment prefim	-	90.2
Nov 10	US	Oct bank credit	-	7.2%
	US	Oct C&i loans	-	6.7%
	Japan	Oct Bank of Japan data	- :	. u/a
	France	Oct consumer price indx, pream"	0.3%	0.4%
	France	Oct consumer price indx, prefirm	2.0%	2.0%
	Norway	Oct consumer price indx**		2.3%
	Canada	Sep motor vehicle sales"	3.2%	9.5%
			sa it affilia.	1 1 1 s
During t	he week			, , - . ,
	Japan	Sep current B/c (IMF)	\$11.95n	\$11.8bn
	Јарал	Sep trade balance (IMF)	·	\$14.2bn
	Јарап	Sep foreign bond investment	14 A. 18 Mary	\$6.4bn
	Germany	Sep industrial production, West*	2.2%	-4.8%
	Germany	Sep manufacturing output, West	2.5%	-5.0%
	Germany	Sep industrial prod, pan-Germany	1.5%	n/a
	Germany	Sep orders, West	1.5%	-3.6%
	Germany	Sep final M3 (4th qtr. '94)	A. (1.5%
	Germany	Sep retail sales, real	-1.5%	-2.0%
	Germany	Oct final cost of living, West	-0.1%	-0.1%
	Germany	Oct final cost of living, West"	1.6%	'1.6 %
	Germany	Oct final COL, pan-Germany	-0.1%	-0.1%

Oct final COL pan-Germany

Sealn

Oct registered unemployment rate 15.5%

ACROSS

- 1 Look for a key-cutter (6)
 4 Near-cold stew found in the kitchen (8)
 9 Awful barney not lar away (6)
 10 After no peace I head for cau-
- tion (8)

 12 Problem for man repeatedly going without publicity (8)

 13 Dead or possibly idolised (6)

 15 Companion for tea (4)

 16 Improve a lime squash, so to speak (40)

speak (10)

- 23 Frisk doctor entering prison 25 A sweet smile on a new devel-
- opment (8) Not rare words of praise (4.4) 25 Make a mistake and run for it 29 is outwardly relieved but didn't give in (8) 30 You'll find this admiral in the
- DOWN It may be checked for drink and meat around midnight (7)
 Rate bulsa as a smooth material (9)

Firm supporters for hooded

France

N'lands

- 5 Arab state which appeals to the masculine type (4) 6 Sweet sort of rain fall (4,4) 7 Dismal king in love (5)
 8 New rise to be pald now Remains to be seen (7)
 11 A set preliminary (7)
- 19 Poet who probably knew the value of language (10)
 14 down leads a Greek charac17 They're a blend of the main races (9) 18 Practically of an equally high standard (2,4,2)
 - 19 Fight for more pay? (4,3)21 Leave a bar with a university man (7) 22 Run a series of lectures (6) 24 Sailors measure them in min-26 Supporter of proposal (4)

0.6%

1.2%

2.4%

MONDAY PRIZE CROSSWORD

A prize of a Pelikan New Classic 380 fountain pen for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers will be awarded. Solutions by Thursday November 16, marked Monday Crossword 8,911 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Monday November 20. Please allow 28 days for delivery of prizes.

Addre Winners 8.899

Barbara Bevington, New York R.R. Bell, Derby M.G. Mitchell, Redcar Simon Deetholts, London E5 Tom Richardson, London SW1 Lynda Massie, Sutton, Surrey

month on month, "year on year, †seasonally adjusted. Statistics, courtesy MMS internations No.8,911 Set by DANTE

1.8%

1.8%

15.3%

Solution 8,899

المؤلفات والمترافقان

JOTTER PAD

Spirited reward for risk investment (4,7) Venture Capital Report links Business Angels and businesses socking capital VCR through its monthly Report & presentatio Tel: 01865 784411 Fax: 01865 784412

